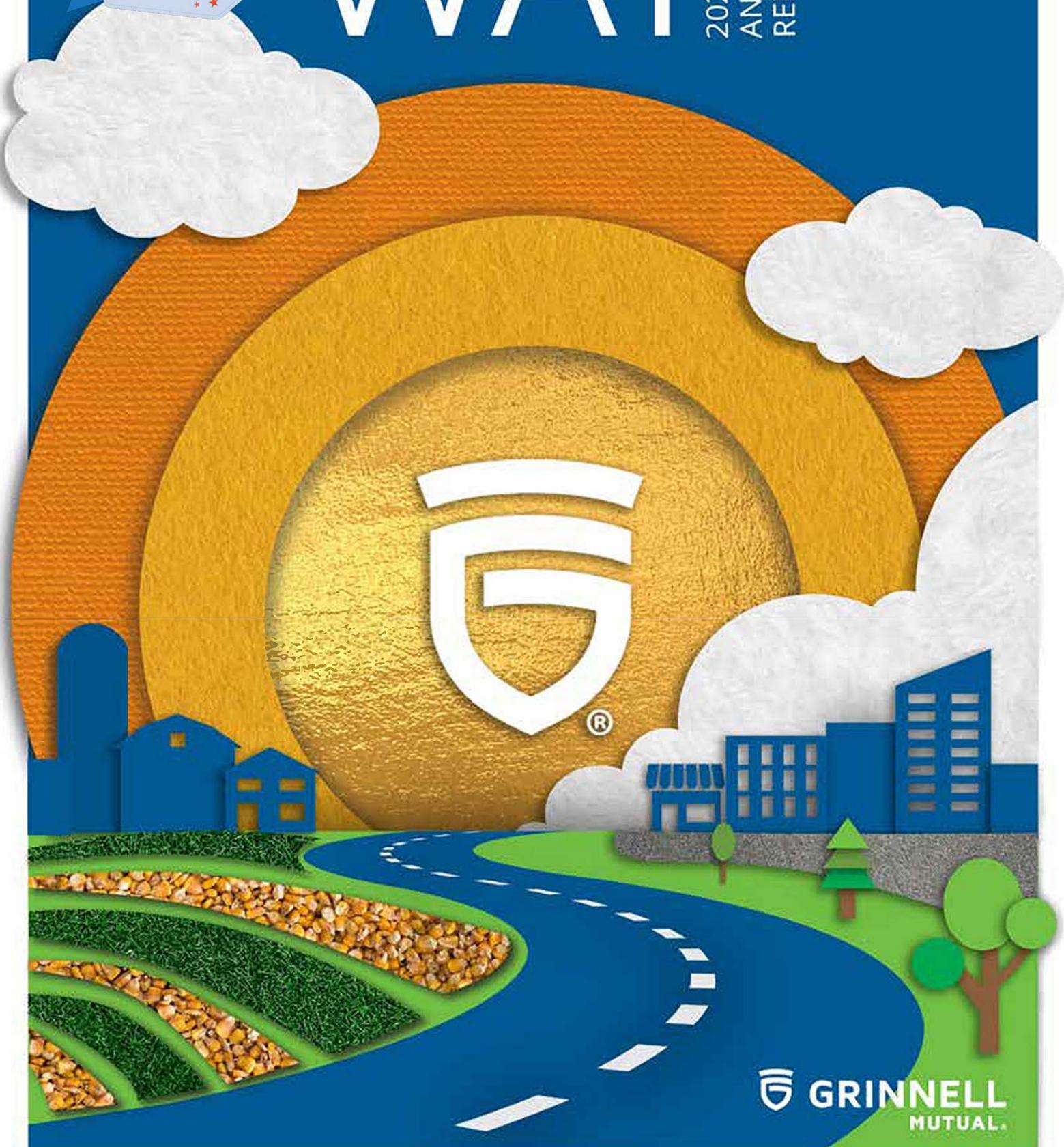


Leading You're Connected
imca
BEST OF SHOW
- 2021 -

THE GRINNELL MUTUAL

WAY

2021
ANNUAL
REPORT



 **GRINNELL**
MUTUAL.



Turn to p. 21 for details on how to win a prize.

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BY THE
NUMBERS



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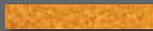
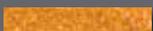
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EXECUTIVE
OFFICERS
AND BOARD
OF DIRECTORS



WIN A
PRIZE!





PRESIDENT'S MESSAGE

THE GRINNELL MUTUAL WAY: START WITH THE WHY

Is there any industry that has been as successful in the United States as our mutual insurance industry? Are there companies with a longer history that are just as relevant today as they were 150 to 270 years ago?

The first insurance company in the U.S. dates back 270 years. The Philadelphia Contributionship (TPC) for the Insurance of Houses from Loss by Fire was co-founded by Benjamin Franklin in 1752, and was structured as a mutual insurance company.

TPC sent inspectors to evaluate properties and rejected those that did not meet company standards. Rates were based on a risk assessment of the property being insured — underwriting criteria that would one day evolve into building codes and zoning laws. TPC still exists, with \$152 million of written premium and \$389 million of surplus. It operates very much like the mutuals that Grinnell Mutual reinsures.

At the end of 2020, the U.S. property-casualty insurance industry wrote \$735.1 billion of direct written premium. Stock insurance companies held nearly 60 percent of this book, and our mutual industry serviced about 40 percent.

However, the mutual industry has the largest market share of both personal lines and small to mid-sized commercial businesses, which fits the mutual model and that model's mission to serve its member policyholders. It's also in alignment with policyholders' desire for their carriers to focus on customers' interests, unlike stock companies, which answer primarily to stockholders.

Stock insurance companies also must provide positive quarterly shareholder reports in order to maintain stock prices. This can lead to abrupt changes that may improve

short-term financial reports, but can also have a negative impact on their current policyholders and the company's future financial success. Mutual insurance companies, on the other hand, can take a long-term view when making business decisions and investments.

It all gets down to fundamental philosophy, one that Simon Sinek encapsulated in his book "Start With Why." Most companies and their employees, he says, know what they do, and many know how they do it. But companies falter mostly because they've lost their way, their true north — their why. They have forgotten the real reason they exist.

Mutual insurance companies exist to protect their members and to help put their policyholders' property back together after an insured loss. But we can boil down our "why" even further.

The mutual industry's "why" is to protect the dreams of our policyholders. The dream of owning a home, and knowing that it will be repaired or replaced after a catastrophic loss. The dream of having a successful business that supports your family and your employees. The dream of a better life for those that follow you.

Supporting those dreams is the "why" of our mutual industry. And it's not only the Grinnell Mutual way, it's also the mutual industry way.



CORE VALUES

ACT WITH INTEGRITY
TRUST AND RESPECT OTHERS
VALUE OUR RELATIONSHIPS
SERVE AND PROTECT OUR CUSTOMERS

VISION

AN EMPOWERED TEAM DRIVING INNOVATIVE REINSURANCE AND INSURANCE SOLUTIONS

MISSION

CULTIVATE TRUSTED RELATIONSHIPS WITH:

- MUTUAL MEMBERS BY PROVIDING STATE-OF-THE-ART REINSURANCE SOLUTIONS AND CONSULTATIVE SERVICES FOCUSING ON MEMBERS' SUCCESS
- AGENTS BY PROVIDING INSURANCE SOLUTIONS WITH A FOCUS ON EASE OF DOING BUSINESS
- POLICYHOLDERS BY FULFILLING OUR PROMISE TO HELP YOU IN YOUR TIME OF NEED
- EMPLOYEES BY PROVIDING AN INNOVATIVE ENVIRONMENT WHERE YOU ARE EMPOWERED TO BE YOUR BEST

BY THE NUMBERS

Total surplus:

\$772 million

Surplus gain:

\$7 million



Total assets:

\$1.5 billion

Underwriting losses:

\$77 million

Combined ratio:

111%

Total gross written premium:

\$769 million =

5% increase over 2021

Direct lines claims:

47,492

Reinsurance claims:

15,208

Company size:

107th largest property-casualty

Special investigations completed:

851



6th year as Ward's Top 50 property-casualty company



'A' rated by AM Best since **1991**



Des Moines Register

11 straight years as an Iowa Top Workplace, second place in Iowa in 2021



GALLUP EXCEPTIONAL WORKPLACE AWARD
2021

2 years in a row winning Gallup Exceptional Workplace global award



Calls handled by customer service:

130,478

handled by **14** CSRs =

9,320 calls =
for each CSR

36 calls
average per work day, per CSR

Total number of general agents
as of Dec. 31, 2021:

1,842

Total number of producers:

20,616

New agencies added in 2021:

102

Total employees
(as of Dec. 31, 2021):

805

New hires in 2021:

51

Retirements in 2021:

25



Number of IT service desk
incidents handled:

13,000

by **4** employees =

3,250
per employee =

12 incidents
per employee, per working day



Number of Grinnell Compass
Auto policies written:

1,202

generated from two states
where product was live (PA
and IL*)



**Phased rollout, Nov.-Dec.*

Employees working full-time
from somewhere other
than corporate offices:

454 + **147**
remote field

601

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

Grinnell Mutual recognizes the importance of being a good corporate citizen, employer, and steward of natural resources. That's why, though we are not beholden to investors who demand accountability in these areas, Grinnell Mutual is committed to providing our members with information about our environmental, social, and governance (ESG) initiatives and our efforts to continuously improve in these areas. **Find details on these efforts on pages 6-11.**



Environmental challenges are some of the most important we face. Changing weather patterns significantly affect property exposures in both our reinsurance and direct lines areas. Severe convective storms (wind, hail, and tornado events) are becoming more frequent and severe, resulting in larger property claims in the last decade, a trend expected to continue. We are committed to doing our part to mitigate these risks with ongoing efforts to manage resource consumption.



Serving our employees, customers, and our communities, and treating all people with respect, are our top priorities.



Strong corporate governance is at our foundation and helps ensure that our directors and officers have appropriate independence and oversight when managing enterprise and operational risks.



- Solar panel field at home office
- Increased recycling
- Print reduction

- Using ESG scores when considering investments
- Allowing employees to work from home



SOCIAL



Our employees

- Award-winning and internationally recognized as a Gallup Exceptional Workplace
- Perennial top workplace in Iowa
- Industry-leading benefits package
- Access to extensive career development options
- Commitment to physical and mental well-being, with dedicated, on-campus, mental health resources
- Active belonging and inclusion program
- “Care and Share” emergency employee grants



Our customers

- Recognized in the industry for quality customer service for our policyholders, agencies, and mutual members
- Continuing education opportunities for agency and mutual staff
- Focused on listening to and implementing feedback



Our communities

- Grinnell Mutual Group Foundation grants
- Day of Caring annual volunteer day
- Paid volunteer time-off
- Supporting dozens of local, regional, and national nonprofits



GOVERNANCE

- AM Best ‘A’-rated since 1991
- Ward’s Top 50 since 2016
- Strong internal audit processes and procedures

- Active board of directors
- Responsible investment practices

WE GAVE BACK IN 2021!

TOTAL
GRINNELL
MUTUAL
DONATIONS
\$355,859

\$492,181

TOTAL
EMPLOYEE
DONATIONS
\$136,322

11 EMPLOYEE VOLUNTEER TEAMS

221
DAY OF CARING
HOURS

1,333
VOLUNTEER
TIME-OFF HOURS

1,554
TOTAL VOLUNTEER HOURS



EMPLOYEE DONATIONS

VALENTINE COOKIE SALES



PALS: Poweshiek
(Iowa) Animal
League Shelter
\$759



UNITED WAY FUNDRAISER

United Way
\$86,283

HALLOWEEN COOKIE SALE



Iowa Veterans Home
10 boxes of
items + **\$1,268**

MATT PETERSON NO SHAVE NOVEMBER



- Care and Share Program
\$1,700
- LINK Program
City of Grinnell program
providing access to high-
quality daycare and
programming
\$1,700



SCOTCHEROO SALES

Iowa Special Olympics
\$1,230

CORPORATE FUNDRAISER



Care and Share
Program
Assists Grinnell Mutual
employees and families in
need
\$37,755



SCHOOL SUPPLY DRIVE

Grinnell; Brooklyn-
Guernsey-Malcom;
Montezuma;
Lynnville-Sully schools
7 boxes of
supplies + **\$73**

THANKSGIVING DONATION OPTION



Care and Share
Program
\$3,260



CHRISTMAS FUNDRAISER

For Grinnell community
families

- MICA Food Pantries
10 boxes
of food
- Christmas Share
Program
9 boxes of
gifts + **\$145**



GROCERY BOWL

- MICA Food Pantries
Serving Hardin, Poweshiek,
Story, and Marshall (Iowa)
counties
5 boxes of food
- Food Bank of Iowa
\$1,144



CHRISTMAS IN JULY FOOD DRIVE

- MICA Food Pantries
7 boxes of
food + **\$140**
- Food Bank of Iowa
\$246



WINTER WONDERLAND

Holiday inflatables viewing
event
Read 2 Lead
\$619

CORPORATE DONATIONS

LOCAL CHARITABLE DONATIONS

\$108,045

TEAM UP FOR TOMORROW

Volunteer program

CAPRI THEATER

Restoration project, New Sharon (Iowa)

\$2,208

BIG HEARTS 4 TINY HANDS

Supporting families with babies in the NICU, Poweshiek Co. (Iowa)

\$2,208

\$4,416



NATIONAL CHARITABLE DONATIONS

CORPORATE SPONSORSHIPS OF EDUCATIONAL AND NONPROFIT ORGANIZATIONS

\$250,000



Iowa Top Workplaces "Menary Moola" (distributed by employee vote to a variety of charities)

\$3,555

FAIRGROUND FACELIFT

Fairground improvement grants in our writing territory

\$7,500

GRINNELL MUTUAL GROUP (GMG) FOUNDATION DONATIONS

TEAM UP FOR TOMORROW MATCH

Volunteer program match

CAPRI THEATER

\$2,208

BIG HEARTS 4 TINY HANDS

\$2,208



HEALTHCARE

\$36,000

EDUCATIONAL GRANTS AND SCHOLARSHIPS

Matching gifts and other education organization gifts

\$83,262

MISCELLANEOUS CHARITIES

\$43,500

Total donations

\$232,178

CORPORATE RESPONSIBILITY REPORT

	2021	2020	CHANGE
STRENGTHENING COMMUNITIES			
Number of employee hours spent volunteering	1,355	1,067	27%
Number of employees volunteering	216	178	21.3%
Percent of employees volunteering	27%	21%	24.7%
Community investment (corporate)			
Dollar amount of community investment (education)	\$80,000	\$87,922	-9%
Dollar amount of community investment (miscellaneous)	\$241,137	\$155,934	54.6%
Total amount of community investment	\$321,137	\$243,856	31.7%
Total number of organizations supported	121	96	26.0%
Community investment (Grinnell Group Foundation)			
Dollar amount of community investment by type			
Education	\$83,262	\$115,212	-28%
Health care	\$36,000	\$38,000	-5.3%
United Way	\$65,000	\$65,000	0%
Miscellaneous	\$47,916	\$124,110	-61.4%
Total dollar amount of community investment	\$232,178	\$342,322	-32.2%
Total number of local community projects supported	62	63	-1.6%

	2021	2020	CHANGE
OUR PEOPLE			
Number of employees	806	828	-2.7%
Percent voluntary employee turnover	8%	5%	56%
Percent of employees who rate Grinnell Mutual favorably (based on Gallup Q12 survey)	73%	70%	4.3%
Average employee tenure in years	13	13	0%
401(k) employee participation rate (Grinnell Mutual)	96.9%	96%	0.9%
401(k) employee participation rate (insurance industry as a whole)	76.1%	75.2%	1.2%
Employees contributing at least 10% to 401(k) (Grinnell Mutual)	54.2%	43.6%	24.3%
Employees contributing at least 10% to 401(k) (insurance industry as a whole)	32.8%	30.8%	6.5%
Care and Share employee emergency fund			
Number of employees contributing to Care and Share	198	239	-17.2%
Total dollar amount of employee contributions to Care and Share	\$44,532	\$49,822	-10.6%
Total dollar amount contributed to Care and Share with company match	\$89,064	\$99,643	-10.6%
Number of employees/families receiving funds from Care and Share	23	18	27.8%
Total Care and Share funds distributed to employees/families	\$53,028	\$55,675	-4.8%

	2021	2020	CHANGE
UTILITIES			
Electrical cost	\$241,480	\$251,480	-4.1%
Electrical kWh consumed	2,451,776	2,508,448	-2.3%
Gas cost	\$49,339	\$50,098	-1.5%
Gas therms consumed	18,185	18,338	-0.8%
Water cost	\$25,687	\$24,515	4.8%
Water gallons consumed	102,400	127,700	-19.8%
Business miles driven	2,190,378	2,471,690	-11.4%
Dollar amount paid for miles driven	\$1,477,104	\$1,410,376	4.7%
Air miles traveled	101,622	53,801	88.9%

	2021	2020	CHANGE
OUR CUSTOMERS			
Grinnell Mutual policies in force	191,987	196,428	-2.3%
Grinnell Select policies in force	123,627	128,057	-3.5%
Grinnell Compass (PA only) policies in force	2,021	1,102	83.4%
Number of claims	47,492	48,826	-2.7%
Claims complaints	24	23	4.3%
Complaints to claims ratio	1:1979	1:2123	-6.6%
Number of Grinnell Mutual Members (traditional)	239	240	-0.4%
Number of Grinnell Mutual Members (broker)	32	25	28.0%

	2021	2020	CHANGE
SOLAR PRODUCTION FROM SOLAR PANELS (Wh)			
January	23,200,940	15,569,876	49.0%
February	16,280,761	39,510,696	-58.8%
March	43,504,888	32,245,154	34.9%
April	48,798,915	36,011,328	35.5%
May	45,396,049	34,412,452	31.9%
June	53,565,209	42,646,628	25.6%
July	35,705,690	52,751,016	-32.3%
August	52,871,970	17,583,492 (nine months)	200.7%
September	34,748,155	0	
October	24,609,064	0	
November	19,626,514	6,210,048	216%
December	19,484,949	21,524,164	-9.5%
Total amount of solar production (kWh)	417,793	298,465	33.3%
Electricity usage (total actual used)	2,869,569	2,806,913	2.20%
Percent of used kWh generated by solar	14.6%	10.6%	2.23%

2020 derecho damage to solar panels

GRINNELL MUTUAL REINSURANCE CO. STATUTORY BALANCE SHEETS

(\$s in thousands)

Assets	2021	2020
Bonds	\$1,067,195	\$994,949
Stocks	181,860	169,973
Subsidiaries	24,753	24,741
Other investments	7,836	7,212
Real estate occupied	14,469	15,534
Cash and short-term investments	16,470	17,907
Total investments	\$1,312,583	\$1,230,316
Accrued investment income	12,079	10,760
Premiums and agents' balances receivable	116,697	110,712
Reinsurance balances	18,987	3,848
Current income taxes receivable	9,439	5,916
Deferred income taxes	6,942	7,855
Data processing equipment	1,404	2,056
Other	12,065	9,683
Total assets	\$1,490,196	\$1,381,146

Liabilities	2021	2020
Unpaid losses and loss adjustment expenses	\$435,861	\$289,485
Unearned premiums	222,668	216,710
Accrued expenses and accounts payable	47,338	51,167
Reinsurance balances	12,672	27,559
Borrowed money	0	20,000
Drafts outstanding	156	(205)
Additional liability for pension plan	0	11,571
Total liabilities	\$718,695	\$616,287
Surplus	771,501	764,859
Total liabilities and surplus	\$1,490,196	\$1,381,146

COMBINED STATEMENTS OF OPERATIONS AND SURPLUS

(\$s in thousands)

Underwriting	2021	2020
Premium earned	\$668,532	\$656,090
Losses incurred	(492,165)	(438,223)
Loss adjustment expenses incurred	(65,442)	(60,348)
Underwriting and general expenses incurred	(188,285)	(188,764)
Underwriting gain (loss)	(\$77,360)	(\$31,245)

Investment	2021	2020
Net investment income	51,237	45,629
Net realized gain (loss)	9,218	4,167
Total investment gain	\$60,455	\$49,796
Other	(627)	(513)
Income before tax	(\$17,532)	\$18,038
Federal income tax expense (benefit)	(6,707)	(58)
Net income	(\$10,825)	\$18,096

Other surplus changes	2021	2020
Net unrealized investment gain (loss)	4,312	14,838
Change in non-admitted assets	(3,514)	(1,174)
Change in deferred income tax	2,661	341
Change in liability for reinsurance	47	(77)
Change in liability for pension plan	13,961	1,267
Total surplus changes	\$6,642	\$33,291
Surplus at beginning of year	764,859	731,568
Surplus at end of year	\$771,501	\$764,859

Ratios (to earned premium)	2021	2020
Loss	73.6	66.8
Loss adjustment expense	9.8	9.2
Expense	28.2	28.8
Combined	111.6	104.8

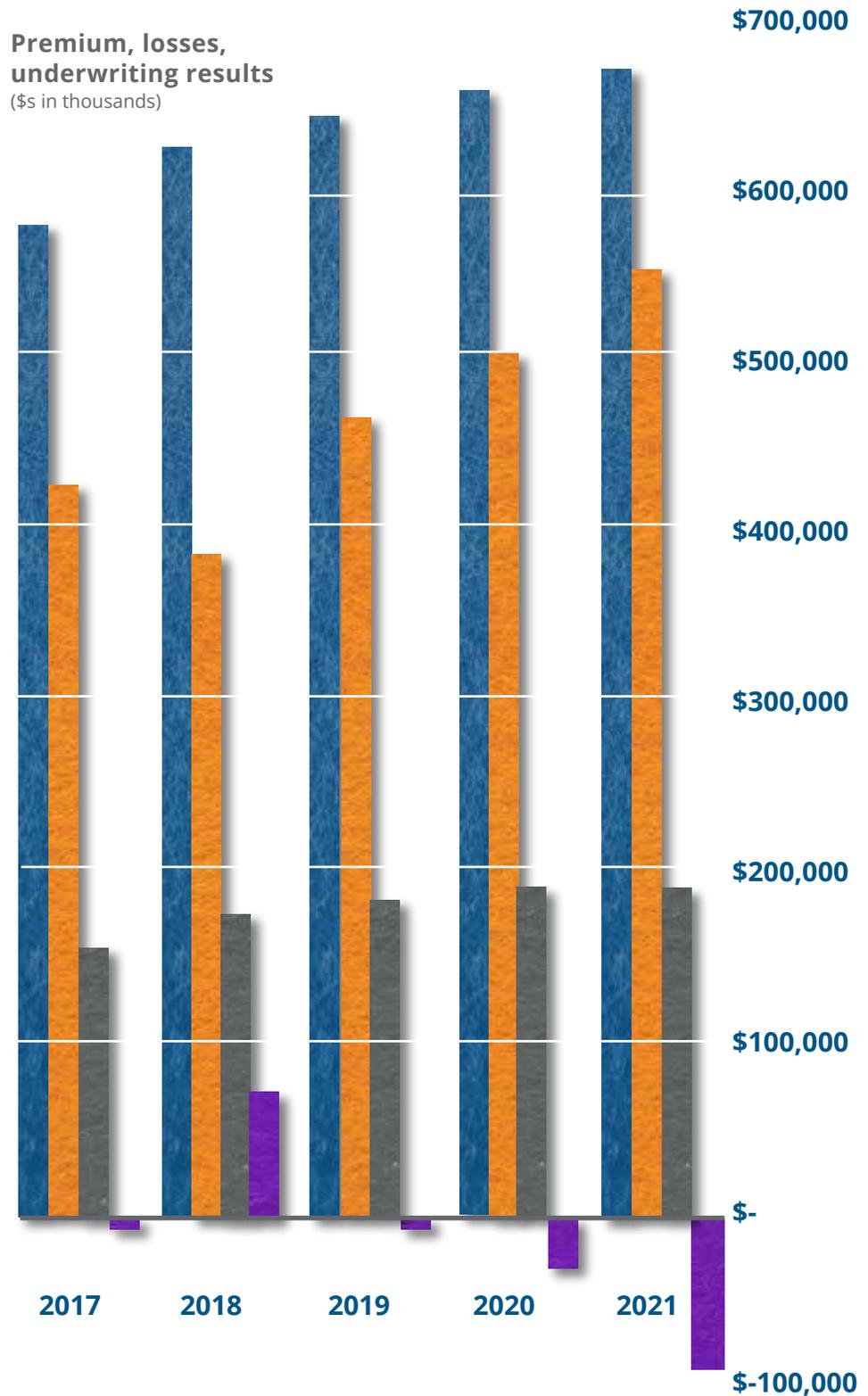
FINANCIAL OVERVIEW

Grinnell Mutual Reinsurance Company and subsidiaries (“Grinnell Mutual”) had a challenging operating year in 2021. The results were significantly impacted by a windstorm event that occurred in December 2021 in one of our most concentrated geographic areas. The Company finished with a combined ratio of 111 percent and, despite that, ended with an increase to surplus due to the ceded reinsurance recoveries and investment results.

Net earned premium has grown each year at a steady pace. Expenses as a percentage of net earned premium decreased in 2021 after increasing for a couple of years, primarily from expenses related to ongoing implementation of our new information technology platform, Guidewire. However, the number is still under 29 percent for all five years.

KEY:

- EARNED PREMIUM
- LOSSES & LAE
- OTHER EXPENSES
- UNDERWRITING GAIN (LOSS)



2021 RESULTS

Premiums earned increased 2 percent in 2021 primarily from growth in the direct commercial lines of business and broker assumed reinsurance program, and were offset by a decrease in private passenger auto business.

Premiums ceded to reinsurers reduced earned premiums by \$93.7 million in 2021 compared to \$73.0 million in 2020. This included \$7.0 million and \$4.5 million in reinstatement premiums in 2021 and 2020 after the windstorm events that occurred in each year.

The net loss and loss adjustment expense ratio increased to 83 percent in 2021 from 76 percent in 2020. The increase in the ratio was primarily due to the windstorm in December 2021.

There were no recoveries under our ceded property mainframe program during the period 2012 through 2019. However, in 2020 and 2021, recoveries were \$211 million and \$85 million, respectively.

Underwriting and general insurance expenses remained steady as controllable expenses are being carefully managed. The underwriting results were a loss of \$77.4 million compared to a loss of \$31.2 million in 2020. The combined ratio increased to 111 percent in 2021 from 105 percent in 2020.

Total net investment gain was \$60.5 million in 2021 compared to \$49.8 million in 2020. Net investment income was up \$5.6 million from increased investment

holdings and equity mutual fund income distributions in the portfolio. Realized after-tax gains, \$9.2 million in 2021 and \$4.2 million in 2020, were primarily from equity investment diversification and reallocations.

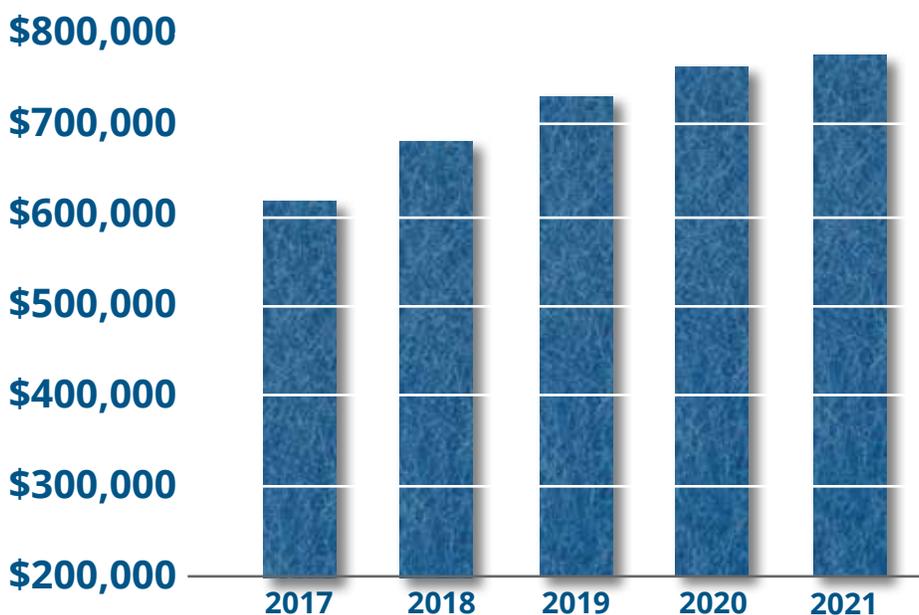
The overall increase in surplus of \$7 million in 2021 was primarily a result from the combination of: net loss of \$10.8 million from operations; after-tax unrealized investment gains of \$4.3 million from higher equity markets; increased net deferred income tax of \$2.7 million; elimination of the pension liability of \$14 million; and an increase in non-admitted assets of \$3.5 million, primarily due to software development costs and prepaid pension assets.

The surplus growth of 1 percent, combined with the earned premium growth of 2 percent, resulted in an unfavorable change to the capacity ratio from 86 percent in 2020 to 87 percent in 2021. Dec. 31, 2021, surplus totaled \$772 million and total assets were \$1.5 billion.

Grinnell Mutual has experienced a long-term period of solid performance. We continue to focus on disciplined pricing and underwriting processes as we manage the business to position Grinnell Mutual for the future. Solid capital levels are critical to maintaining our current AM Best rating of "A" (Excellent).

You can trust Grinnell Mutual to be here to honor our commitments and support our mutual members, independent agents, and policyholders.

Ending surplus (\$s in thousands)



DIVISION OVERVIEWS



UNDERWRITING, SALES, AND SERVICE

Kurt Eaves
Vice President

As the state of the pandemic fluctuated over 2021, the majority of our staff continued to work from home.

Despite not being able to meet with most prospective agencies in person, Grinnell Mutual appointed over 100 new general agents last year. The new appointments focused on geographic gaps in our existing distribution footprint and will ensure long-term growth through effective product distribution. The lack of travel time also allowed our sales team to do in-depth territory reviews and to focus on state-level planning.

In order to provide continuing education opportunities for our producers, we expanded virtual training sessions that allowed agents to earn continuing education credits and learn how to better serve their customers with Grinnell Mutual products. Trainings offered ranged from agency succession planning to commercial target market products.

It was a busy year in both personal and commercial lines. Commercial growth remained robust at 9.8 percent, driven by exceptional increases for the Businessowners program (9.69 percent), Commercial Teammate (11.4 percent), Commercial Automobile (13.2 percent) and our

Commercial Package Program (12.6 percent). The Feed, Seed, Grain, and Fertilizer program also continued to be competitive and has allowed Grinnell Mutual to remain strong in the agricultural space.

Our focus in personal lines was planning for the rollout of the Grinnell Compass Auto product to our direct-lines writing states. We piloted the product, along with a new technology platform (ProducerEngage), with a small group of Illinois agents during the fourth quarter of 2021. In December we expanded access to all Illinois agencies. Its success thus far indicates that Grinnell Compass Auto will be a profitable and desirable product for our agency force.

Along with growth, however, we saw an increase in litigated claims activity, and terms such as “social inflation” and “nuclear verdicts” have become more commonplace in tort liability. At the same time, loss ratios have also been affected by inflation, with surges in material costs, auto repair costs, rental expenses, and medical costs.

There are no doubt more challenges to come, but the resiliency and dedication of our staff allow us to continue to serve our customers in a changing world, and to focus on opportunities.



REINSURANCE

Kevin Farrell
Vice President

2021 was another challenging year for property insurers and reinsurers as property loss trends continued to rise, driven by frequent severe weather events. Inflation also remains a challenge for insurers as it erodes the value of dollars available to pay future claims. In the last 36 months, industry sources report residential and agricultural construction cost inflation growth near 25 percent.

Globally the cost of capital is on the rise for reinsurers as retrocession protection approaches a cyclical high. Underwriting results for insurers and reinsurers continue to deteriorate, and insurers are feeling the pressure of increased expenses and uncertain investment yields.

Reinsurers globally are responding with higher pricing, capacity reduction and “de-risking,” and catastrophe modeling firms are rethinking the adequacy of their risk models. Midwest property insurers continue to increase rates and move toward higher wind/hail deductibles. They are pushing high single-digit or double-digit annual inflation increases on property portfolios to close the gap caused by inflation and protect policyholders from being underinsured.

This leads to property premium growth, a healthy market response for property insurers that will ultimately translate to improved underwriting results.

Our farm mutual members

We continue to see positive signs that our mutual members are moving in the same direction as the market.

Members’ primary property-rate levels are on the rise, though their valuation adjustments have lagged in the market. However, members in certain states are quickly

moving to higher deductibles in response to competitor market movement and are taking appropriate actions to improve underwriting performance long-term. We anticipate members’ written premium growth to outpace total insurable value growth near-term. Member policy retentions remain strong with modest policy count growth.

What it means for Grinnell Re

While profitability has been a challenge for two consecutive years, we need to have a longer time horizon. Good companies thrive long-term because they block and tackle well, making necessary adjustments when market conditions change.

We will continue to price and manage risk in our portfolio responsibly and to differentiate ourselves in the market through the consultative services we offer, and we will continue to support the success of our members. Grinnell Re’s financial results will mirror those of our membership.

The farm mutual advantage

Farm mutuals have a great story to tell because the farm mutual industry has a distinct competitive advantage in the marketplace — the “secret sauce.” Members have local knowledge of the property they insure, and provide local, face-to-face service for agents and policyholders, something many insurers can’t match. Plus, dollars spent with local mutual companies circulate directly back into the community. Consumers are looking to spend dollars with that kind of company — one they trust and that shares their values.

Our member companies are the real McCoy, have a great story to tell, and need to get that message to consumers.



CLAIMS

Brian Delfino
Vice President

In Claims, everything we do revolves around three key areas:

- Offering a great customer service experience
- Controlling loss costs by paying what we owe but not overpaying
- Managing our expenses by improving productivity and delivering services at the right cost

The current claims environment presents challenges related to material costs and availability (both on the auto and property sides) as well as repair complexities. These factors lengthen the claims process and increase costs for many things, from storage fees to medical bills. Additionally, “social inflation” — increasing litigation, broader definitions of liability, and record-setting settlements — continues to drive costs even higher. As these challenges continue, it is tremendously important that we move routine claims through the claims process efficiently and focus our efforts on claims for which we can have the most positive impact.

Improving in areas that deliver good business results and customer experiences across the board will continue to be our Claims division’s focus in 2022.

Claims teams handled over 47,000 claims in 2021 and nine out of 10 customers said they would recommend Grinnell Mutual to their family and friends. This speaks to the great work done and resiliency of our claims team.

Our photo-based estimating and body shop tools for personal and commercial auto claims are examples of how we improved in all three of our key benchmark areas. In 2021, we handled over 35 percent of our auto physical damage claims with one of these tools, often completing the process and issuing checks within hours. This new process has reduced our average cycle time for these claims from over 10 days to approximately three days. Over the next three years we expect well over 50 percent of our auto claims to be handled with little to no claims adjuster involvement.

Projects we are working on in 2022 that will continue to improve our claim and customer service results include:

- New claim payment options for customers including sending payments through credit/debit cards, Venmo, or PayPal
- Enhanced customer communication methods including improved texting capabilities
- Process improvements designed to reduce the number of hand-offs for adjusters and improve the speed of resolution for customers

Our focus is on continuous improvement and providing the quality customer experience we are known for. Being better tomorrow than today is what differentiates Grinnell Mutual’s claims services.

Thank you for your continued trust and support.

EXECUTIVE OFFICERS



SENIOR LEADERSHIP



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Executive Vice President and
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Vice President,
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