



BEST'S COMPANY REPORT



Trust in Tomorrow.®

GRINNELL MUTUAL GROUP

AMB #: 005727

NAIC #: N/A

FEIN #: N/A

Phone:

Fax:

Website: N/A

GRINNELL MUTUAL REINSURANCE COMPANY

A

Domiciliary Address: 4215 Highway 146, Grinnell, Iowa 50112-0790 United States

Mailing Address: P.O. Box 790, Grinnell, Iowa 50112-0790 United States

AMB #: 000442

NAIC #: 14117

FEIN #: 42-0245990

Phone: +1-641-269-8000

Fax: +1-641-236-2800

Website: www.grinnellmutual.com



Best's Credit Rating Effective Date

February 14, 2023

Analytical Contacts

Josie Novak
Financial Analyst
Josie.Novak@ambest.com
+1(908) 439-2200 Ext. 5242

Janet Hernandez
Senior Financial Analyst
Janet.Hernandez@ambest.com
+1(908) 439-2200 Ext. 5767

Information

[Best's Credit Rating Methodology](#)

[Guide to Best's Credit Ratings](#)

[Market Segment Outlooks](#)

Financial Data Presented

Financial data in this report: (i) includes data of affiliated entities that are not rating unit members where analytics benefit from inclusion; and/or (ii) excludes data of rating unit member entities if they operate in different segments or geographic areas than the Rating Unit generally. See [list of companies](#) for details of rating unit members and any such included and/or excluded entities.

The financial data in this report reflects the most current data available to the Analytical Team at the time of the rating. Updates to the financial exhibits in this report are available here: [Best's Financial Report](#).

Grinnell Mutual Group

AMB #: 005727

Associated Ultimate Parent: AMB # 000442 - Grinnell Mutual Reinsurance Company

Best's Credit Ratings - for the Rating Unit Members

Financial Strength Rating (FSR)

A
Excellent
Outlook: Stable Action: Affirmed

Issuer Credit Rating (ICR)

a+
Excellent
Outlook: Stable Action: Affirmed

Assessment Descriptors

Balance Sheet Strength	Strongest
Operating Performance	Adequate
Business Profile	Neutral
Enterprise Risk Management	Appropriate

Rating Unit - Members

Rating Unit: Grinnell Mutual Group | AMB #: 005727

AMB # Rating Unit Members
022611 Grinnell Compass, Inc.
000442 Grinnell Mutual Reinsurance Co

AMB # Rating Unit Members
001912 Grinnell Select Insurance Co

Rating Rationale**Balance Sheet Strength: Strongest**

- Grinnell Mutual Group maintains the strongest level of overall risk-adjusted capitalization as measured by Best's Capital Adequacy Ratio (BCAR) at the 99.6% VaR confidence level.
- The group maintains a conservative investment portfolio primarily held in fixed-income securities. Common stock leverage remains moderate and well below composite averages.
- The group maintains solid liquidity ratios that are enhanced by generally favorable underwriting and operating cash flows.
- Positive pre-tax operating and net income has generated consistent surplus appreciation, which has led to stable net and gross underwriting leverage over the most recent five years.

Operating Performance: Adequate

- Operating performance is adequate, supported by five-year average combined and operating ratios that edge composite averages. However, in relation to earlier in the five-year period the group's combined ratio has deteriorated due to frequent and severe weather-related events.
- While operating earnings have been favorable in four of the last five years, there has been significant variation in earnings due to an increase in catastrophic events in more recent years.
- The group has undertaken multiple initiatives for both its direct and reinsurance business to help strengthen underwriting guidelines and restore profitability, which has been under pressure in recent years. This includes significant rate increases in 2022/2023.
- Grinnell has experienced stable growth over the most recent five years while also improving pricing and risk management of its underlying book of business.
- The group maintains an elevated underwriting expense ratio due to technology upgrades. This is partially offset by the adequate underlying performance of its book of business as reflected in its five-year average pure loss ratio, which slightly outperforms the composite.

Business Profile: Neutral

- The business profile is neutral due to Grinnell's varied mix of business, including direct personal lines, commercial lines and assumed reinsurance business, as well as its solid foothold in the farm property reinsurance market.
- Although business is geographically concentrated in the Midwest, the group has improved its spread of risk by expanding into other states.
- The group's substantial property business, both direct and assumed, creates susceptibility to frequent and severe weather-related events.
- Grinnell maintains strong relationships with the mutual insurance companies it reinsures (known as member mutuals), as well as its policyholders and over 1,700 agents.

Enterprise Risk Management: Appropriate

- Enterprise risk management is appropriate for Grinnell's size and scope as a regional insurance and reinsurance group, primarily in the Midwest.
- Management has established a comprehensive approach to anticipate, identify, prioritize, and manage material risks to their business objectives.
- The group maintains an active risk identification process with an established risk appetite and tolerance levels for its key risks.
- Grinnell's strong governance process and formalized risk management program include weekly meetings by senior leadership to review and investigate emerging risks.
- The group's property catastrophe reinsurance program protects surplus from tail events, as measured by BCAR at the 99.8% VaR confidence level.

Outlook

- The stable outlooks reflect the expectation that Grinnell will maintain its strongest level of balance sheet strength assessment. Although there is volatility due to weather-related events, operating performance is expected to stabilize and remain aligned with the adequate assessment based on various performance improvement initiatives including tightened underwriting guidelines, rate increases and positive investment returns over the near to intermediate term.

Rating Drivers

- Negative rating action may occur if key operating performance metrics continue to deteriorate to a level that is no longer aligned with the adequate descriptor.
- Negative rating action may occur if risk-adjusted capitalization materially declines and the balance sheet assessment is no longer aligned with the strongest descriptor.

Credit Analysis**Balance Sheet Strength**

Grinnell's balance sheet is strongest, supported by the strongest level of overall risk-adjusted capitalization, solid liquidity, and a conservative investment portfolio. Gross and net underwriting leverage do fall above the composite averages, but have generally remained stable over the latest five year period. Grinnell has added to surplus in each of the last five years due to strong investment income supplemented to a lesser extent by underwriting income. Grinnell protects policyholder surplus from frequent and severe weather events by purchasing an appropriate reinsurance program. Its property catastrophe protection reduces Grinnell's modeled catastrophe events to a manageable level of policyholder surplus.

Capitalization

Grinnell maintains the strongest overall level of risk-adjusted capitalization, as measured by BCAR at the 99.6% VaR confidence level. BCAR remains at the strongest level after both the natural catastrophe and terrorism stress tests. Although gross and net underwriting leverage measures are somewhat elevated compared to the composite averages, the group has generated strong, positive surplus growth in each of the last five years leading to generally stable leverage measures over the latest five years. However, through 3Q2022, we have seen a decline a surplus due to the equity market volatility and unrealized losses on the market portfolio. Despite the decline in equity, the group continues to maintain solid liquidity measures, which is further enhanced by positive underwriting and operating cash flows despite significant catastrophe losses, including the largest historical company loss in 2020. Grinnell protects surplus by purchasing property per occurrence, property aggregate, property per risk, umbrella per policy, casualty per occurrence, and workers compensation per person reinsurance.

Asset Liability Management - Investments

Grinnell maintains a conservative investment portfolio, primarily in high quality fixed income. The group does hold some common stocks and Schedule BA assets, but common stock leverage and non-affiliated investment leverage are moderate and remain below composite averages. However, Grinnell is exposed to equity market volatility as witnessed throughout 2022. Grinnell's common stock holdings are primarily diversified mutual funds, index funds, and ETFs. The group maintains an investment policy with the primary objectives being to preserve capital, meet cash flows needs, match maturities with losses, comply with regulations, seek appropriate risk and returns, and account for tax considerations. The group's average bond maturity is just under seven years.

Reserve Adequacy

Loss reserves relative to policyholder surplus is above the composite averages. Grinnell was fairly conservative with reserving, specifically IBNR reserves in 2021 due to the December 2021 derecho event being so close to the end of the fiscal year. The majority of reserves are from private passenger auto liability, other liability (occurrence), and workers' compensation. Loss reserves have begun to see some adverse development in recent accident and calendar years. Reserving deficiencies can be partially attributed to social inflation and supply chain issues. Estimates are continually reviewed and adjusted as necessary. Reserves are trending favorably through 3Q2022 by \$6.7M.

Operating Performance

Operating performance is adequate, supported by five year average combined and operating ratios that compare favorably to the composite averages. The group's book of business is split into thirds between personal lines, commercial lines, and reinsurance. Because of the company's substantial property business, Grinnell's results tend to be heavily affected by weather-related events. The company's 2018 results saw no major impact from weather, resulting in the second largest underwriting gain in the latest five year period. 2019 saw a slight increase in weather related events, more than the typical year resulting in a small underwriting loss. However, 2020 saw the groups largest loss in company history due to an August derecho that swept through Iowa and Illinois. In 2021, they are still seeing their derecho loss costs increase due to economic inflation as well as underlying damages not seen during the original assessment. The group also saw an abnormal derecho event in December of 2021 adding to the catastrophic year for the group. The derecho, coupled with an increase in severity of losses has affected the reinsurance book of business causing the groups largest underwriting loss of the last ten years. Severe weather events continued into 2022 as did spillover from the mid-December

Operating Performance (Continued...)

derecho event. In addition to extreme storm events, Grinnell has continued to experience higher claim and loss costs due to rising insurance exposures, supply chain disruptions and labor shortages and medical inflation.

Grinnell has shifted their focus to restoring profitability and rate adequacy while strengthening underwriting guidelines. The group has implemented a number of initiatives this year to improve losses and profitability by segment. This is inclusive of significant rate increases and non-renewals of underperforming business segments as well as non-renewing contracts with poor claim experience and unacceptable management practices. These steps are being taken to restore profitability, and help reduced the group's exposure to severe weather-related events.

The group continues to improve its overall systems capabilities to implement a more efficient and effective operating system to revolutionize how they process their business and connect with agents and policyholders. Along with system changes, the group is focused on streamlining their underlying processes to ensure all steps are necessary and adding value, which they believe will reduce expenses over the long run.

Grinnell continues to generate steady net investment income with a five year average net investment yield that compares favorably to the composite average. However, negative returns in 2021 has skewed these averages down. Pre-tax and total ROR and total ROE has fallen below composite, while pre-tax ROE remains favorable.

Business Profile

Business profile is neutral because of Grinnell's varied mix of direct business, including both personal and commercial lines, and reinsurance business, as well as its solid foothold in the farm property reinsurance market. The group writes personal and commercial auto, workers compensation, general liability, commercial multi-peril, allied lines, inland marine, homeowners, and reinsurance, which consists primarily of farmowners business. The ratings of Grinnell Mutual Group include Grinnell Mutual Reinsurance Company (GMRC) and Grinnell Select Insurance Company (GSIC). GSIC is a wholly-owned subsidiary of GMRC.

GMRC's main purpose is reinsuring the property risks of smaller mutual insurers. By following this steady business plan GMRC is now one of the largest farm property reinsurers in the United States, providing reinsurance and services to approximately 240 member mutuals, with related premiums comprising approximately one fifth of the group's gross premiums. The remainder of the group's premiums are split between direct property and liability risks with premiums being concentrated in the Midwest. Business is written through approximately 1,700 independent agents, which are also agents of the member mutuals. Grinnell operates in 12 states and reinsures about half of the small mutuals in its writing territory. Grinnell is a top ten insurer in their home state of Iowa with a strong marketshare in personal auto. The results of the group's reinsurance business can be volatile because it is susceptible to weather-related events. Rates for reinsurance contracts are determined by pricing models and the loss experience of the ceding companies.

GMRC assumed 100% of the premiums, and related losses and expenses of GSIC. GSIC's purpose is to insure automobile risks with special characteristics, including both preferred and nonstandard business. Inland marine and workers compensation was added several years back. This business is written through approximately 1,700 independent agents, which are also agents of GMRC.

Other subsidiaries of GMRC include Grinnell Compass, Inc., another insurance company; Grinnell SpecialtyAgency, LLC, an insurance agency to provide additional insurance markets to company agents; and Farmutual Insurance Services, LLC, and Grinnell Advisory Company, LLC, which both provide services to assist member mutuals. Grinnell Compass was formed in 2015 to provide a new personal auto rating platform that utilizes a multivariate auto program and has a 100% quota share reinsurance contract with GMRC.

Enterprise Risk Management

Enterprise risk management is appropriate for Grinnell's size and scope as a regional mutual insurance and reinsurance group. The group has a formalized ERM program, which is an integral part of the group's operations and the foundation for its ORSA report. The company has an Audit Committee comprised of members of the Board of Directors. The Audit Committee reports its activities to the board semi-annually. The Audit Committee maintains an Audit Committee Charter and Audit Services Charter, which outline the purpose, authority, and responsibilities of the committee and charter. The committee meets semi-annually to review significant legal matters, financial matters, external audit results, internal audit results and activities, and code of business conduct activities.

Risks are prioritized and evaluated based on the likelihood of occurrence, correlations with other risks, and potential impact to the business. The group has an established risk appetite and tolerance levels set for capital, operations, investments, regulatory exposure, and talent. Significant stress testing is done for multiple scenarios including concurrent scenarios to determine net impacts to Grinnell.

The group maintains a comprehensive excess of loss reinsurance program that protects surplus from per occurrence and aggregate losses. Management performs extensive natural catastrophe modeling annually in order to better manage its retained exposure. The

Enterprise Risk Management (Continued...)

group's comprehensive property catastrophe reinsurance program protects policyholder surplus from frequent and severe weather-related events and tail events, as measured by BCAR at the 99.8 VaR confidence level.

Reinsurance Summary

The group's 2022 reinsurance program includes property per occurrence covering \$125 million excess of \$50 million, property aggregate covering up to \$330 million excess of an 82.5% loss ratio, property per risk covering \$30 million excess of \$1 million, casualty per occurrence covering \$40 million excess of \$1 million, umbrella per policy covering \$14 million excess of \$1 million (inures to benefit of casualty per occurrence), and workers compensation per person covering \$20 million excess of \$10 million. The group cedes 100% of its cyber business and earthquake. Effective January 1, 2009, Grinnell Select and Grinnell Compass have a 100% quota share reinsurance contract with its parent company, Grinnell Mutual Reinsurance.

Environmental, Social & Governance

AM Best views the main ESG risk to Grinnell is climate risk, with rising global temperatures contributing to higher frequency and severity of events throughout Grinnell's operating territories. Grinnell Mutual is taking a pragmatic approach to identify, compile, monitor, and report items related to ESG. The group maintains a detailed list of ESG items and regularly monitors, reviews and updates their ESG listing. Grinnell has been able to absorb losses in recent years without falling outside of risk tolerance or reinsurance levels. The strong governance practices should ensure stability in results and that shock losses continue to be absorbed in line with their risk appetite.

AM Best views there is low risk to credit quality as the insurer has limited exposure to ESG factors in the market. The company has a seasoned governance approach that does not permit exposures to any so called "toxic" industries in their underwriting or investment activities. Grinnell will continue to review their investment purchases based on the investment's ESG scores. Grinnell will continue to implement energy-saving and environmentally friendly steps for the company.

Financial Statements

	9-Months		Year End - December 31			
	2022		2021		2020	
Balance Sheet	USD (000)	%	USD (000)	%	USD (000)	%
Cash and Short Term Investments	-22,912	-1.6	25,767	1.7	25,451	1.8
Bonds	1,024,535	70.9	1,067,195	70.6	994,949	70.9
Preferred and Common Stock	134,318	9.3	181,860	12.0	169,973	12.1
Other Invested Assets	22,617	1.6	22,305	1.5	22,746	1.6
Total Cash and Invested Assets	1,158,559	80.2	1,297,127	85.8	1,213,118	86.5
Premium Balances	170,985	11.8	136,453	9.0	130,859	9.3
Net Deferred Tax Asset	16,882	1.2	6,992	0.5	7,911	0.6
Other Assets	97,922	6.8	71,748	4.7	50,884	3.6
Total Assets	1,444,348	100.0	1,512,321	100.0	1,402,772	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	246,074	17.0	256,810	17.0	160,406	11.4
Net IBNR Loss Reserves*	95,410	6.6	95,724	6.3	55,761	4.0
Net LAE Reserves	70,309	4.6	63,275	4.5
Total Net Loss and LAE Reserves	341,484	23.6	422,843	28.0	279,442	19.9
Net Unearned Premiums	268,227	18.6	222,668	14.7	216,710	15.4
Other Liabilities	132,043	9.1	95,309	6.3	141,761	10.1
Total Liabilities	741,754	51.4	740,820	49.0	637,912	45.5
Unassigned Surplus	701,593	48.6	770,501	50.9	763,859	54.5
Other Surplus	1,000	0.1	1,000	0.1	1,000	0.1
Total Policyholders' Surplus	702,593	48.6	771,501	51.0	764,859	54.5
Total Liabilities and Surplus	1,444,348	100.0	1,512,321	100.0	1,402,772	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

Grinnell Mutual Group

Last Update

May 18, 2023

Identifiers

AMB #: 005727

This company is a data record that AM Best utilizes to represent the AM Best Consolidated financials for the Property/Casualty business of AMB#: [000442 Grinnell Mutual Reinsurance Company](#).

AMB#: [000442 Grinnell Mutual Reinsurance Company](#) has been assigned as the AMB Group Lead for this consolidation and should be used to access name, address, or other contact information for this AM Best Consolidated Group.

Financial Data Presented

See [LINK](#) for details of the entities represented by the data presented in this report.

Operations

Date Incorporated: April 17, 1909

Domiciled: Iowa, United States

Business Type: Property/Casualty
Organization Type: Mutual
Marketing Type: Independent Agency

Best's Credit Ratings

Rating Relationship

This group represents an AM Best Rating Unit. In our opinion, companies under this Rating Unit have an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

Best's Credit Rating Effective Date: February 14, 2023

Rating rationale and credit analysis can be found in the [Best's Credit Report for AMB# 005727 - Grinnell Mutual Group](#).

AMB#	Rating Unit Members	Best's Credit Ratings	
		Financial Strength Rating	Long-Term Issuer Credit Rating
022611	Grinnell Compass, Inc.	A	a+
000442	Grinnell Mutual Reinsurance Co	A	a+
001912	Grinnell Select Insurance Co	A	a+

Management

Administration of the group's affairs is directed by insurance executives who have spent the greater part of their business careers with the company. Jeffrey R. Menary was elected President and Chief Executive Officer effective December 15, 2017. Mr. Menary had previously held the position of Executive Vice President. Joint administrative offices are maintained by all companies.

History

Grinnell Mutual Reinsurance Company, the lead member of the group, was incorporated in 1909 under the laws of Iowa. Grinnell Select Insurance Company was formed in 1984, and Grinnell Compass, Inc, was formed in 2015, both also under the laws of Iowa.

Grinnell Mutual Reinsurance Company

Last Update

May 18, 2023

Identifiers

AMB #: 000442

NAIC #: 14117

FEIN #: 42-0245990

Contact Information

Domiciliary Address:

4215 Highway 146, Grinnell, Iowa
50112-0790
United States

Mailing Address:

P.O. Box 790, Grinnell, Iowa
50112-0790
United States

Web: www.grinnellmutual.com

Phone: +1-641-269-8000

Fax: +1-641-236-2800

Financial Data Presented

The financial data in this report reflects the most current data available at the time the report was printed.

Operations

Date Incorporated: April 17, 1909 | **Date Commenced:** April 17, 1909

Domiciled: Iowa, United States

Licensed: (Current since 05/11/2023). Credit is allowed for reinsurance in AR, CT, KS, KY, MD, MI, MT, NJ, NY, NC, OR, TN, VT, VA and WV, as it is accredited or licensed in other states. The company is licensed in IL, IN, IA, MN, MO, NE, ND, OH, OK, PA, SD and WI.

Business Type: Property/Casualty
Organization Type: Mutual
Marketing Type: Independent Agency
Financial Size: X (\$500 Million to \$750 Million)

Best's Credit Ratings

Best's Credit Rating History

AM Best has assigned ratings on this company since 1950. In our opinion, the company has an Excellent ability to meet their ongoing insurance obligations and an Excellent ability to meet their ongoing senior financial obligations.

The following are the most recent rating events, for longer history refer to [Rating History](#) in BestLink:

Effective Date	Best's Financial Strength Ratings			Best's Long-Term Issuer Credit Ratings		
	Rating	Outlook	Action	Rating	Outlook	Action
Current -						
Feb 14, 2023	A	Stable	Affirmed	a+	Stable	Affirmed
Jan 27, 2022	A	Stable	Affirmed	a+	Stable	Affirmed
Jan 27, 2021	A	Stable	Affirmed	a+	Stable	Affirmed
Jan 31, 2020	A	Stable	Affirmed	a+	Stable	Affirmed
Feb 5, 2019	A	Stable	Affirmed	a+	Stable	Upgraded

Management

Administration of the company's affairs is directed by insurance executives who have spent the greater part of their business careers with the company. Jeffrey R. Menary was elected President and Chief Executive Officer effective January 1, 2018. Mr. Menary had previously held the position of Executive Vice President, Line of Business Operations.

Officers

President and CEO: Jeffrey R. Menary
COO: David M. Wingert
Vice President and Chief Information Officer: Roby C. Shay (Enterprise Solutions)
Vice President, Secretary and General Counsel: William E. Simonaitis (Legal)
Vice President, Treasurer and CFO: Christopher L. Hansen (Finance)
Vice President: Lauren E. Augustin (Product Transformation & Delivery)
Vice President: Brian J. Delfino (Claims)
Vice President: Kevin P. Farrell (Reinsurance)
Vice President: Michelle A. Hutchinson (Audit)
Vice President: Steven M. Scherf (Direct Underwriting & Production)
Vice President: Jeffrey R. Vogts (Talent Development)
Controller: Michelle W. Papendick (Finance)

Directors

Larry W. Cook
Daniel W. DeArment
Randy K. Druvenga
Mark D. Knouse
William J. Lampe
Kendall E. Lunsford
Mary Jo Robison
Mark D. Schmidt
Paul G. Stueven
Susan K. Taggart
Steven L. Underwood
James P. Wellman

History

The company was incorporated and began business on April 17, 1909 under the laws of Iowa as Iowa Farmers Mutual Reinsurance Association. The corporate name was changed to Farmers Mutual Reinsurance Association in 1935 and to Farmers Mutual Reinsurance Company in 1948. The present title was adopted on June 26, 1963.

The company was originally formed for the purpose of strengthening farm mutuals. Operation and control of the company are based on a democratic system, with the board of directors composed of farm mutual officers. Directors are elected at the company's annual meeting, with each member mutual having an equal voice. The board is comprised of 12 members, most of whom have enjoyed many years of experience in the active management of the member farm mutuals and independent insurance agencies throughout the territory served by the company. The company now serves approximately 240 member farm mutuals in 14 states, primarily located in the Upper Midwest. Membership in Grinnell Mutual consists of a single person or organization utilizing its facilities. Each farm mutual employing its reinsurance facilities is considered a member and entitled to be represented by one delegate at any meeting of the membership.

In 1984, Grinnell Mutual Reinsurance formed a wholly-owned downstream holding company, Grinnell INCO, Inc., formerly GMRC Company. The holding company took action in late-1984 to form a wholly-owned insurance subsidiary, Grinnell Select Insurance Company. Grinnell Select started as a preferred risk personal lines auto writer in Iowa and added a substandard auto line in 1988. Effective December 1, 1988, Grinnell Mutual Life Insurance Company, an affiliate, was converted to a stock life insurance company. The new company, Grinnell Life Insurance Company, was purchased 100% by Grinnell INCO, Inc. Grinnell Life was merged into Investors Life Insurance Company of Indiana in September 1998. Grinnell INCO, Inc., in March of 1998, was dissolved and ownership of all subsidiaries was transferred to Grinnell Mutual Reinsurance Company. A wholly-owned insurance subsidiary, Grinnell Compass, Inc., was formed in 2015. The company also owns non-insurance company subsidiaries that provide supportive services to the company and members.

Financial Statements

Financial Statements reflected were compiled from the most recent company-filed statement available in BestLink - Best's Statement File - P/C, US.

Currency: US Dollars

	3-Months		Year End - December 31			
	2023		2022		2021	
	USD (000)	%	USD (000)	%	USD (000)	%
Balance Sheet						
Cash and Short Term Investments	15,323	1.0	-21,733	-1.5	16,470	1.1
Bonds	988,291	67.3	1,013,297	72.2	1,067,195	71.6
Preferred and Common Stock	165,254	11.2	174,715	12.5	206,613	13.9
Other Invested Assets	30,437	2.1	30,435	2.2	22,305	1.5
Total Cash and Invested Assets	1,199,305	81.6	1,196,714	85.3	1,312,583	88.1
Premium Balances	174,834	11.9	129,907	9.3	116,697	7.8
Net Deferred Tax Asset	31,122	2.1	29,629	2.1	6,942	0.5
Other Assets	64,030	4.4	46,752	3.3	53,974	3.6
Total Assets	1,469,291	100.0	1,403,002	100.0	1,490,196	100.0
Loss and Loss Adjustment Expense Reserves:						
Net Reported Loss Reserves*	279,050	19.0	196,807	14.0	256,810	17.2
Net IBNR Loss Reserves*	160,218	10.9	101,414	7.2	95,724	6.4
Net LAE Reserves	80,943	5.8	70,309	4.7
Total Net Loss and LAE Reserves	439,268	29.9	379,164	27.0	422,843	28.4
Net Unearned Premiums	306,187	20.8	249,066	17.8	222,668	14.9
Other Liabilities	48,579	3.3	100,021	7.1	73,184	4.9
Total Liabilities	794,033	54.0	728,251	51.9	718,695	48.2
Unassigned Surplus	674,258	45.9	673,751	48.0	770,501	51.7
Other Surplus	1,000	0.1	1,000	0.1	1,000	0.1
Total Policyholders' Surplus	675,258	46.0	674,751	48.1	771,501	51.8
Total Liabilities and Surplus	1,469,291	100.0	1,403,002	100.0	1,490,196	100.0

Source: BestLink® - Best's Financial Suite

* Interim reserves balances include LAE.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Issue/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, AM Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, AM Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

Visit <https://www.ambest.com/ratings/index.html> for additional information or <https://www.ambest.com/terms.html> for details on the Terms of Use. For current ratings visit www.ambest.com/ratings

Copyright © 2023 A.M. Best Company, Inc. and/or its affiliates. All rights reserved.

No portion of this content may be reproduced, distributed, or stored in a database or retrieval system, or transmitted in any form or by any means without the prior written permission of AM Best. While the content was obtained from sources believed to be reliable, its accuracy is not guaranteed. For additional details, refer to our Terms of Use available at AM Best website: www.ambest.com/terms.

