

Delivering on Promises

ANNUAL REPORT 2024

FARM BUREAU MUTUAL HOLDING COMPANY

A Changing Landscape

Much like the way a farm's landscape is forever changed after a big storm, the insurance industry has been forever changed by rising inflation, increasing frequency of severe weather events and incredible technological advances over the last few years.

Our little single-state mutual company has changed with the times as well. In May 2024, Farm Bureau Property & Casualty Insurance Company turned 85 years old. We marked the occasion with an intense storm season that began in March and didn't relent until August. We responded to 106,181 storm and wildfire claims totaling a record \$751 million in direct losses. It's a far cry from the 871 claims we served in our first year.

Consistent Claims Service

One thing that hasn't changed, however, is our commitment to providing outstanding service in the face of a claim. In 2024, we made several enhancements to the way claims, particularly storm and wildfire claims, are handled. We expanded the Catastrophe Response Team (CAT Team) to include more than 40 members, significantly reducing our reliance on independent adjusters. And, we began incorporating the services of our newly reconfigured Multiline Contact Center. This team's help taking first notice of loss calls and helping schedule follow-up appointments was invaluable. We look forward to the ways these enhancements will continue to improve our client/member experience in the year ahead.

Because farm and ranch losses require experience specific to their unique exposures, we launched a pilot program for ag claims specialists. This also improves the experience for our client/members, ensuring they always work with someone familiar with their kind of operation.

Enhancing Payment Features

Busy storm season aside, our organizational landscape evolved in other key ways as well. Our point-of-sale payment process, launched in late 2023, continues to be a valuable tool for reducing the risk of future billing or cancellation issues. Nearly all of our agents have used this tool when writing new business. We also continued enhancing our digital payment options for client/members. In 2024, we began offering payments (for claims, refunds, etc.) to client/members via PayPal and Venmo in addition to the more traditional check or electronic funds transfer. This service helps client/members receive their money faster and in their most-preferred form.

Through all the changes of 2024, our coverage remains some of the very best on the market today. Our agents conducted more SuperCheck appointments in 2024 than in any year prior. These meetings with client/members help ensure the right coverages and discounts are in place so that when the wind begins to blow, they can rest easy knowing we will be there no matter what happens next.



Achieving Financial Results

Rate adjustments and coverage modifications in 2024 combined to lower loss exposure while still offering opportunities for strong topline growth:

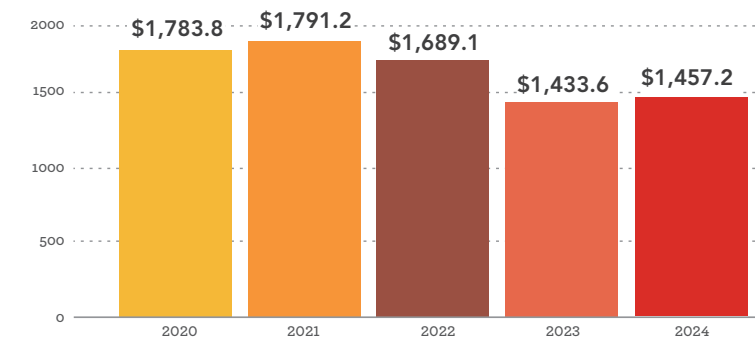
- We achieved a net income of \$26 million, better than Plan.
- Fire and casualty direct written premium grew 24.9%, reaching a record of \$2.4 billion.
- Farm market share results were strong with direct written premium up 29.4% and loss ratio improving 31.2% year over year.
- Total units in force increased 1.5%.
- Client/member retention dipped to 90.3%, an expected result of rate and coverage actions.
- Capital and surplus were negatively impacted by storm losses in the first half of the year, but a strong second half led to increasing surplus by \$23.6 million and our premium-to-surplus ratio increased to 1.61.

Strong and Stable in the Industry

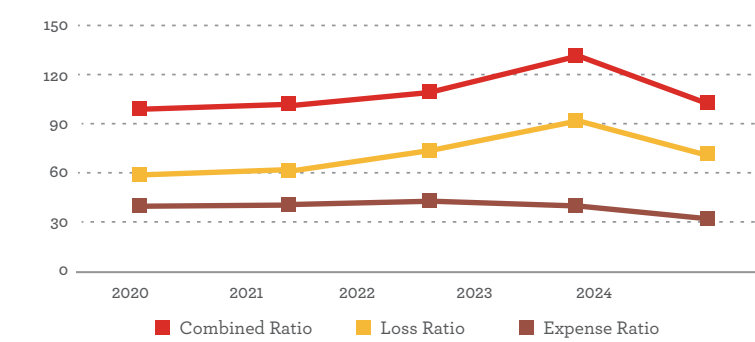
- We are the #1 ag insurer in our eight-state footprint and have been for more than 25 years. Our farm/ranch related premium came in at \$1.27 billion.
- A.M. Best** affirmed our “A” (Excellent) rating. A distinction we’ve earned for 75 years, putting us among an elite group of insurers recognized by A.M. Best Review for maintaining and A.M. Best Financial rating of A or higher for more than 75 years.
- Our usage-based insurance program, Driveology, continues to drive retention and savings for client/members. In 2024, enrollment grew by nearly 46,000 vehicles and surpassed 100,000 total enrollments.
- Fire and casualty underwriting loss of \$89 million came in lower than initially expected due to positive reserve development and stronger earned premium than Plan.

**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.

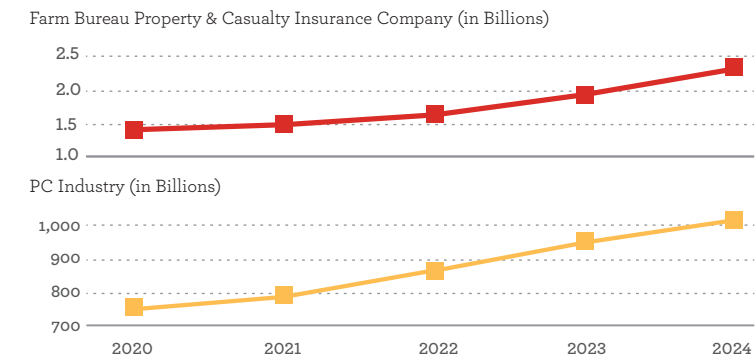
Policyholder Surplus (in Millions)



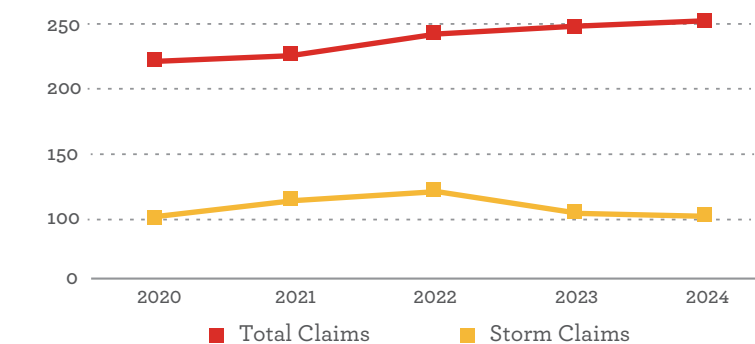
Key Operating Ratios



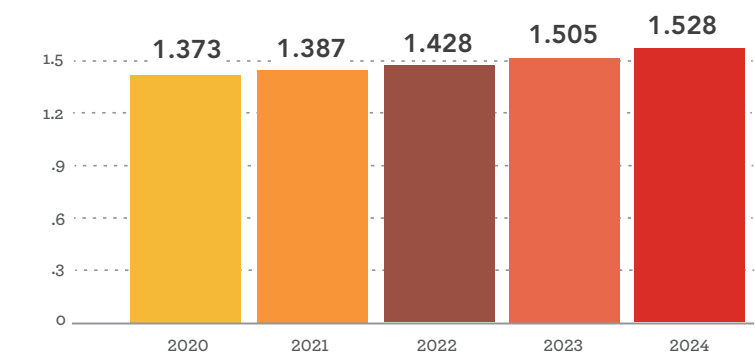
Direct Written Premium - Fire And Casualty



Claim Counts (in Thousands)



Units in Force (in Millions)



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.



Joe Newland
Kansas

Joe Newland is vice chairman of the board of directors of Farm Bureau Mutual Holding Company and serves 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.



John Boelts
Arizona

John Boelts serves on the board of directors of Farm Bureau Mutual Holding Company. He is currently the President of the Arizona Farm Bureau, having previously served six years as First Vice President and four years as Second Vice President. Boelts and his wife raise fresh vegetables and melons, durum wheat, cotton, forage crops and seed crops in Yuma County, Arizona.



Glenn Brunkow
Kansas

Glenn Brunkow serves on the board of directors of Farm Bureau Mutual Holding Company. He is currently the Vice President of Kansas Farm Bureau, after previously serving as a district director. Brunkow and his family operate a fifth-generation farm in Pottawatomie County, growing soybeans, corn, wheat and hay, and raising cattle and sheep. He earned a bachelor's degree from Kansas State University in ag economics and a master's degree in agronomy.



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.



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.



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.



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 NOMINEES



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.



ValJay Rigby
Utah

ValJay Rigby serves on the board of directors of Farm Bureau Mutual Holding Company. He was elected as President of the Utah Farm Bureau Federation in 2023. Rigby earned a bachelor's degree in finance and a master's degree in information systems from Utah State University. He and his family operate a fifth-generation farm near Newton, Utah, growing alfalfa, corn, safflower, wheat, and other small grains, and raising beef cattle. Rigby is active in his community, volunteering with a variety of organizations.



Katie Olsen
Nebraska

Katie Olsen 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.



Scott E. VanderWal
South Dakota

Scott VanderWal serves on the board of directors of Farm Bureau Mutual Holding Company. 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.



Larry Reagan
New Mexico

Larry Reagan serves 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.

CLASS B DIRECTORS



W. Kim Austen

Kim Austen 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 a veteran of the insurance industry, having spent his career with Allied Group/Nationwide. Following his retirement as president and chief operating office 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 serves on the board of directors of Farm Bureau Mutual Holding Company. 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), for which he chairs the Governance Committee and Investment Committee. 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.