

Indiana Farmers Insurance™



2024 ANNUAL REPORT



We Are Indiana Farmers Insurance.

We are a 147-year-old company based in Carmel, Indiana. We write Property and Casualty insurance through independent agents in four states (Indiana, Illinois, Ohio, and Kentucky). Our products span across Commercial, Farm, and Personal Lines.

In July 2024, the industry's premier rating agency AM Best re-affirmed our 'A' rating, indicating the company's solid financial strength. P&C companies go through inevitable ups and downs and are increasingly subject to severe weather losses. In response to such losses in 2022-2024, we took specific steps to improve our long-term financial sustainability and strength and make our book more weather-resilient, through actions in Underwriting, contract terms, and pricing. Beginning in September 2024, we have returned to underwriting and overall profitability.

Going into 2025, Indiana Farmers Insurance continues to leverage key strengths for disciplined expansion and diversification:



Strategic Leadership



Sophisticated
Business Operations



Flexible Structure &
Open IT Architecture



Deep Industry &
Agency Relationships



Strong Values & Vision



Established Brand

The company remains committed to our members, our independent agencies, our associates, and the company values that have served us well in the past and will take us into the future.

Our Values



INNOVATION

We believe in the power of our associates to innovate. We embrace creativity, curiosity, and collaboration to challenge the status quo, drive meaningful enhancements, and deliver holistic solutions to bring SMART insurance and risk solutions to our members.

COLLABORATION

We are passionate about working inclusively and collectively and value diverse perspectives to foster trust. By uniting unique skills and voices, we achieve shared goals and deliver impactful solutions with mutual respect and purpose.

ACCOUNTABILITY

We operate with integrity and take ownership of our actions both individually and collectively. We are transparent about our results. Together we build trust and strengthen our relationships with our associates, members, and partners.

RESPECT

Respect is the essence of who we are and is non-negotiable. We embrace honesty, fairness, approachability and inclusion. By being approachable, leaning in to listen, showing grace and fostering belonging, we create a safe, empowering culture where every voice is heard and appreciated.

EMPOWERMENT

We encourage continual learning, creativity, and inspire associates to demonstrate initiative, analyze risks, and take thoughtful action. By entrusting duties, sharing information freely, and seeking input from our associates, we create a dynamic environment where everyone grows, contributes, and thrives which leads to meaningful change.





To Our Policyholders

2024 was challenging, but the trust and teamwork we have built within the company helped us confidently face obstacles and collaborate to overcome them for our members. The volume of work to quickly identify actions, adjust other work to expedite implementation, and then craft internal and external communications around them only made us a stronger, more innovative team and a better company.

The results of our actions are starting to speak for themselves. Adverse weather and rising material costs due to inflation impacted our Q1-Q3 results, but our Q4 profitability was strong with \$17.4M of Q4 net income. Unfortunately, it was not enough to overcome the historic weather losses from earlier in the year; however, it was a welcome reminder that our actions are working and surplus is growing once again.

We expect more improvement next year. The targeted actions are still working through the book as policies renew and unprofitable business rolls off. In addition, we still have a few more changes we will implement in 2025.

As we reflect on how 2024 impacted our operations, there is little question that it made us better, stronger, and faster. Our business changes were informed by deeper data insights as we continue to expand on the granularity and accessibility of our data. On top of these profit improvement actions, we took two key capital actions to shore up our capital. We did all of this while still delivering on our 2028 strategic initiatives.

As we look forward to 2025, some of the actions that we have had to take will create impediments to growth but will improve the bottom line and surplus – true addition by subtraction. In addition, we are making significant shifts in the types of new business we write that are less weather exposed. These shifts will take time, and in some cases, will require new business capabilities. But we are up to the challenge.

Nature has provided significant obstacles the past couple of years, and we are working around it to build a solid plan for 2025 and beyond. We are refocusing our business in new directions and building Indiana Farmers into a more resilient company than ever before. Our members can continue to count on us to provide financial protection as we together face whatever new challenges the future brings.

Wesley F. Sprinkle
President and CEO



Direct Written Premium \$391 Million

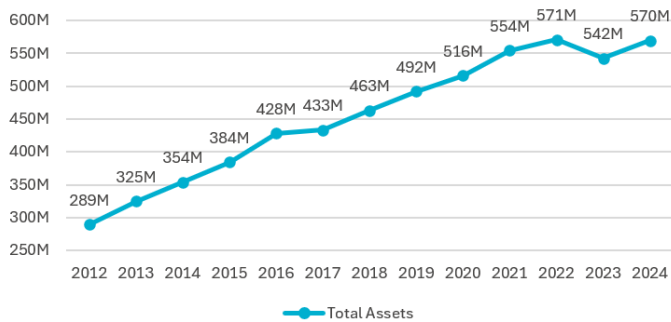
Admitted Assets (\$M)

| | |
|------------------------------------|--------------|
| Fixed Income Securities | \$390 |
| Cash and cash equivalents | \$61 |
| Premiums & Reinsurance Receivables | \$100 |
| Other Assets | \$19 |
| Total Assets | \$570 |

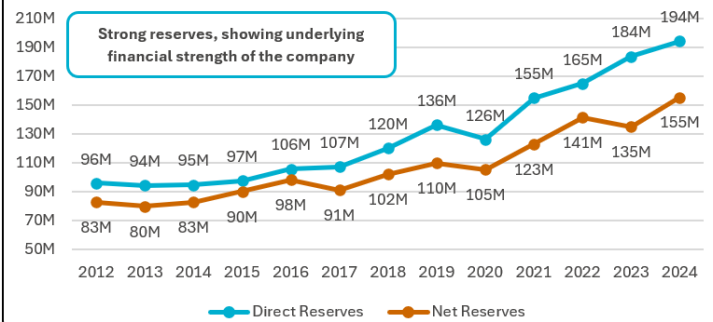
Liabilities and Surplus (\$M)

| | |
|---|--------------|
| Losses & Loss Adjustment Expenses | \$155 |
| Unearned Premiums | \$163 |
| Accounts Payable & Other Liabilities | \$43 |
| Total Liabilities | \$361 |
| Policyholder Security Fund (Surplus) | \$209 |
| Total Liabilities & Policyholder Security Fund | \$570 |

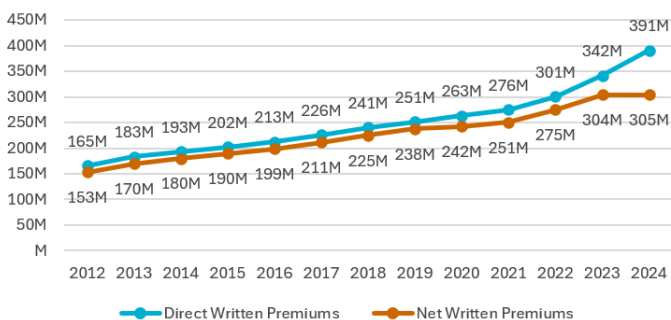
Total Assets



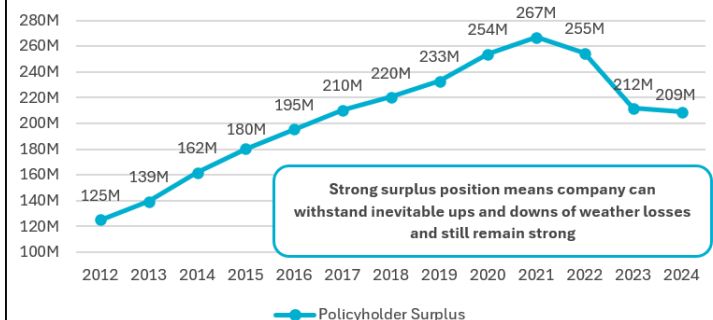
Loss and LAE Reserves



Written Premiums



Policyholder Surplus



In good times and bad, members are the heartbeat of our company - driving us to provide protection against life's unexpected challenges. When losses occur, we see an opportunity to fulfill our fundamental promise: to support and help those we serve. 80% of our members who make a claim rate us 9 or 10 (on a 0 to 10 point scale). Our commitment to service is something you won't find anywhere else.



This was our 1st time we had to use our insurance in over 40 years. We cannot say enough how pleased we were with our adjuster George Davis. He was able to work with our contractor when we discovered the problem was worse than we thought. Thank you, Indiana Farmers Insurance. - David G., Cloverdale, IN

They provide all your needs. Very courteous & helpful. Friendly. They give you the best insurance prices & see what works for you. I'm very happy with Indiana Farmers Insurance. Satisfied customer. - Florence H., Valparaiso, IN



Claims are handled really well. The claim representatives are friendly, knowledgeable, and very helpful. The claims are taken care of expeditiously. I understood the process as they explained everything. - Barbara W., Greenwood, IN



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**Indiana Farmers
Insurance™**

