



MUTUALRE

MUTUAL REINSURANCE BUREAU

www.mutualre.com

Current Financial Package
On Behalf Of The

2024 ASSUMING COMPANIES

Financial Information
As Of December 31, 2023

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LISTING OF
2024 ASSUMING COMPANIES
INCLUDING REGULATORY
REFERENCES AND
A.M. BEST RATING

EXHIBIT I



MUTUAL RE 2024 ASSUMING COMPANIES
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LISTING OF 2024 ASSUMING COMPANIES
 INCLUDING REGULATORY REFERENCES
 AND A.M. BEST RATING

ASSUMING COMPANY	FEIN	NAIC	A.M. BEST RATING
Church Mutual Insurance Company, S.I.	39-0712210	18767	A u*
Encova Mutual Insurance Group / Motorists Mutual Insurance Company	31-4259550	14621	A
Farm Bureau Mutual Insurance Company of Michigan	38-1316179	21555	A-
Kentucky Farm Bureau Mutual Insurance Company	61-0392792	22993	A
Renaissance Reinsurance U.S. Inc.	52-1952955	10357	A+
Mutual Reinsurance Bureau	36-1516650	AA-9995035	

* A.M. Best Rating is Under Review as of March 15, 2024

LISTING OF
2024 ASSUMING COMPANIES
INCLUDING NARRATIVE SUMMARIES
AND WEBSITE INFORMATION

EXHIBIT II



**MUTUAL RE
2024 ASSUMING COMPANIES**



Church Mutual Insurance Company, S.I.¹
www.churchmutual.com

Church Mutual Insurance Company, S.I., founded in 1897, offers specialized insurance for religious organizations of all denominations, public and private K-12 schools, colleges and universities, senior living facilities, camps and conference centers, and nonprofit and human services organizations throughout the United States. Church Mutual markets most lines of commercial property and liability insurance, including multi-peril, workers' compensation and commercial auto insurance. In addition to insurance, Church Mutual provides a spectrum of value-added solutions that benefit its customers. The A.M. Best rating for Church Mutual is A u (Excellent), which is Under Review as of 3/15/2024.

¹Church Mutual is a stock insurer whose policyholders are members of the parent holding company formed on 1/1/2020. S.I. = a stock insurer.



Encova Insurance Company
www.encova.com

Motorists Mutual Insurance Company is a member of Encova Insurance, a super-regional carrier ranked in the top 20 mutual insurance companies in the United States. Encova includes more than 1,200 associates writing in 28 states and the District of Columbia, premiums in excess of \$1.2 billion, a surplus in excess of \$2.1 billion and assets in excess of \$5.1 billion. The group markets insurance solutions through more than 2,000 independent agencies in the Midwest, Northeast and South. The A.M. Best Rating for Motorists is A (Excellent).



Farm Bureau Mutual Ins Co of Michigan
www.farmbureauinsurance-mi.com

Farm Bureau Mutual Insurance Company of Michigan is part of Michigan Farm Bureau Group (Michigan's largest general farm organization), providing a full range of insurance products and services for their policyholders: home, auto, farm, and business. Farm Bureau of Michigan has total assets over \$1.7 billion and has been profitably providing insurance protection to Michigan policyholders since 1949. The A.M. Best rating for Farm Bureau of Michigan is A- (Excellent).



Kentucky Farm Bureau Mutual Ins Co
www.kyfb.com

Kentucky Farm Bureau Mutual Insurance Company is the largest domiciled property and casualty insurer in Kentucky and has been providing insurance services since 1943. Kentucky Farm Bureau Mutual Insurance Company has a policyholders' surplus over \$1.6 billion and total assets over \$3.1 billion. The A.M. Best rating for Kentucky Farm Bureau is A (Excellent).



Renaissance Reinsurance U.S. Inc.
www.renre.com

RenaissanceRe is a global reinsurance company with more than 25 years of experience helping clients solve their most complex risk challenges. We meet our clients' needs by matching well-structured risk with efficient capital, and we work hard to deliver value-added service in a rapidly evolving market. Our global underwriting team is coordinated around each client, offering a broad suite of solutions across multiple platforms and leveraging our range of highly-rated balance sheets. The A.M. Best rating for RenRe is A+ (Superior).

COMBINED
FINANCIAL HIGHLIGHTS
OF THE
2024 ASSUMING COMPANIES

EXHIBIT III



MUTUAL RE
2024 ASSUMING COMPANIES

COMBINED FINANCIAL HIGHLIGHTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31,
(IN THOUSAND \$)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>UNDERWRITING OPERATIONS</u>					
Net Written Premiums	\$5,762,370	\$5,381,048	\$4,960,408	\$4,559,956	\$4,358,631
Net Earned Premiums	5,538,062	5,205,863	4,764,097	4,456,437	4,199,882
Incurred Losses and LAE	4,817,533	3,939,797	3,572,841	3,151,642	3,007,748
Underwriting Expenses	1,661,306	1,523,104	1,404,256	1,321,076	1,242,833
Net Underwriting Gain (Loss)	(940,777)	(257,038)	(213,000)	(16,281)	(50,699)
<u>NET INVESTMENT INCOME</u>					
Net Investment Income Earned	436,389	351,616	318,783	305,057	324,739
Net Realized Capital Gain	(105,428)	(73,950)	193,356	110,721	81,664
Net Investment Gain	330,961	277,666	512,139	415,778	406,403
<u>OTHER INCOME (EXPENSE)</u>					
Other Income (Expense)	82,801	(27,050)	(60,710)	124,002	(18,723)
Policyholder Dividends	19,942	15,511	15,053	38,536	12,273
<u>FINANCIAL RESULTS</u>					
Net Income	(546,957)	(21,933)	223,376	484,963	324,708
<u>FINANCIAL RATIOS</u>					
Loss & LAE Ratio	87.0%	75.7%	75.0%	70.7%	71.6%
Expense Ratio	28.8%	28.3%	28.3%	29.0%	28.5%
Policyholder Dividend Ratio	0.4%	0.3%	0.3%	0.9%	0.3%
Combined Ratio	116.2%	104.3%	103.6%	100.6%	100.4%
<u>FINANCIAL STATUS</u>					
Assets	17,690,270	17,643,113	17,182,945	15,343,233	13,831,082
Liabilities	11,627,110	11,161,827	10,729,560	9,314,312	8,339,327
Surplus	6,063,160	6,481,286	6,453,385	6,028,921	5,491,755

COMBINED
ANNUAL STATEMENT
OF THE
2024 ASSUMING COMPANIES

EXHIBIT IV



MUTUAL RE 2024 ASSUMING COMPANIES
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COMBINED ANNUAL STATEMENT

As of December 31,
2023 **2022**

ASSETS

Bonds	\$ 11,365,527,384	11,527,382,416
Stocks:		
Preferred Stocks	34,408,810	36,915,899
Common Stocks	1,536,891,458	1,562,905,676
Mortgage loans on real estate:		
First liens	23,746,098	14,714,378
Real estate:		
Properties occupied by the company	66,407,235	66,723,556
Properties held for the production of income	30,743,369	2,300,120
Properties held for sale	0	6,325,000
Cash, cash equivalents and short-term investments	706,804,694	773,404,009
Other invested assets	510,184,657	498,295,307
Receivable for securities	8,067,450	9,109,537
Securities lending reinvested collateral assets	1,892,400	0
Aggregate write-ins for invested assets	0	0

Subtotals, cash and invested assets	14,284,673,555	14,498,075,898
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Investment income due and accrued	97,627,765	87,121,303
Premiums and considerations:		
Uncollected premiums and agents' balances in the course of collection	315,609,872	286,669,997
Deferred premiums, agents' balances and installments booked but deferred and not yet due	1,829,499,744	1,781,330,703
Accrued retrospective premiums	0	0
Reinsurance:		
Amounts recoverable from reinsurers	478,827,679	391,782,575
Funds held by or deposited with reinsured companies	135,923,617	133,300,239
Other amounts receivable under reinsurance contracts	2,026,338	2,152,566
Current federal and foreign income tax recoverable and interest	175,058,493	74,129,340
Net deferred tax asset	126,469,264	180,684,238
Guaranty funds receivable or on deposit	1,915,079	1,784,077
Electronic data processing equipment and software	9,823,482	9,166,067
Furniture and equipment, including health care delivery assets	0	0
Net adjustment in assets and liabilities due to foreign exchange rates	0	0
Receivables from parent, subsidiaries and affiliates	23,927,597	17,601,697
Aggregate write-ins for other than invested assets	208,887,571	179,314,643

TOTALS	\$ 17,690,270,056	17,643,113,343
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MUTUAL RE 2024 ASSUMING COMPANIES
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COMBINED ANNUAL STATEMENT

As of December 31,
2023 **2022**

LIABILITIES, SURPLUS AND OTHER FUNDS

Losses	\$ 5,824,052,563	5,334,630,557
Reinsurance payable on paid losses and loss adjustment expenses	42,193,810	42,281,024
Loss adjustment expenses	672,076,705	615,779,362
Commissions payable, contingent commissions and other similar charges	325,342,255	301,178,306
Other expenses (excluding taxes, licenses and fees)	211,252,945	207,849,838
Taxes, licenses and fees (excluding federal and foreign income tax)	23,658,519	20,752,858
Current federal and foreign income taxes	5,497,460	0
Net deferred tax liability	22,997	1,484,609
Borrowed money and interest thereon	27,728,782	21,472,199
Unearned premiums	2,544,793,368	2,318,884,622
Advance premiums	37,812,014	33,030,365
Dividends declared and unpaid:		
Stockholders	0	0
Policyholders	21,738,450	16,955,968
Ceded reinsurance premiums payable	891,228,551	978,200,996
Funds held by company under reinsurance treaties	625,079,692	939,995,344
Amounts withheld or retained by company for account of others	60,477,178	59,798,709
Remittances and items not allocated	(3,370,215)	54,785,004
Provision for reinsurance	41,879,976	11,459,542
Net adjustments in assets & liabilities due to foreign exchange rates	0	0
Drafts outstanding	0	0
Payable to parent, subsidiaries and affiliates	62,919,202	43,009,719
Payable for securities	1,788,802	31,605,160
Payable for securities lending	1,892,400	0
Aggregate write-ins for liabilities	209,044,825	128,673,486

Total liabilities	11,627,110,279	11,161,827,668
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Aggregate write-ins for special surplus funds	114,038,508	90,317,702
Common capital stock	42,952,600	46,952,600
Preferred capital stock	0	0
Aggregate write-ins for other than special surplus funds	0	0
Surplus notes	465,000,000	465,000,000
Gross paid in and contributed surplus	614,422,408	630,422,389
Unassigned funds (surplus)	4,826,746,261	5,248,592,984

Surplus as regards policyholders	6,063,159,777	6,481,285,675
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TOTALS	\$ 17,690,270,056	17,643,113,343
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**MUTUAL RE
2024 ASSUMING COMPANIES**

COMBINED ANNUAL STATEMENT

Year Ended December 31,
2023 2022

STATEMENT OF INCOME

UNDERWRITING INCOME

Premiums earned	\$ 5,538,061,522	5,205,862,923
DEDUCTIONS		
Losses incurred	4,297,174,766	3,486,315,268
Loss adjustment expenses incurred	520,357,820	453,481,440
Other underwriting expenses incurred	1,661,306,248	1,523,104,311
Aggregate write-ins for underwriting deductions	0	0
Total underwriting deductions	6,478,838,834	5,462,901,019
Net underwriting gain (loss)	(940,777,312)	(257,038,096)

INVESTMENT INCOME

Net investment income earned	436,389,535	351,615,807
Net realized capital gains (losses)	(105,428,312)	(73,950,029)
Net investment gain (loss)	330,961,223	277,665,778

OTHER INCOME

Net gain (loss) from agents' or premium balances charged off	(6,454,721)	(4,863,165)
Finance and service charges not included in premiums	19,416,379	18,386,212
Aggregate write-ins for miscellaneous income	(9,993,821)	23,064,738
Total other income	2,967,837	36,587,785
Net income before dividends to policyholders	(606,848,252)	57,215,467
Dividends to policyholders	19,942,049	15,511,005
Net income after dividends to policyholders	(626,790,301)	41,704,462
Federal and foreign income taxes incurred	(79,833,749)	63,637,348

Net income	(546,956,552)	(21,932,886)
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CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31 prior year	6,481,285,675	6,453,384,712
Net income	(546,956,552)	(21,932,886)
Change in net unrealized capital gains (losses)	195,609,291	(301,815,817)
Change in net unrealized foreign exchange capital gain (loss)	1,946,331	(3,998,133)
Change in net deferred income tax	(1,787,625)	78,841,069
Change in nonadmitted assets	(1,501,638)	(87,812,456)
Change in provision for reinsurance	(30,447,417)	(452,556)
Change in surplus notes	0	300,000,000
Capital changes and surplus adjustments	0	0
Dividends to stockholders	0	(6,200,000)
Aggregate write-ins for gains and losses in surplus	(34,988,288)	71,271,742

Change in surplus as regards policyholders for the year	(418,125,898)	27,900,963
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Surplus as regards policyholders, December 31 current year	\$ 6,063,159,777	6,481,285,675
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MUTUAL RE 2024 ASSUMING COMPANIES
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COMBINED ANNUAL STATEMENT

**Year Ended December 31,
2023 2022**

CASH FLOW

Premiums collected net of reinsurance	\$ 5,926,196,357	5,373,915,787
Net investment income	434,052,441	362,165,019
Miscellaneous income	22,005,363	40,615,920
Total	6,382,254,161	5,776,696,726
Benefit and loss related payments	4,113,740,504	3,348,523,836
Commissions, expenses paid and aggregate write-ins for deductions	2,088,627,264	1,932,688,943
Dividends paid to policyholders	15,159,567	16,550,010
Federal and foreign income taxes paid (recovered)	8,764,930	(65,077,227)
Total	6,226,292,265	5,232,685,562
Net cash from operations	155,961,896	544,011,164
Net cash from investments	(288,493,717)	(724,878,780)
Net cash from financing and miscellaneous sources	65,932,506	123,981,095
Net change in cash and short-term investments	\$ (66,599,315)	(56,886,521)

NAIC INSURANCE REGULATORY
INFORMATION SYSTEM
IRIS RATIO RESULTS

EXHIBIT V



**MUTUAL RE
2024 ASSUMING COMPANIES**

NAIC INSURANCE REGULATORY INFORMATION SYSTEM
IRIS RATIO RESULTS

FOR THE PERIOD ENDED DECEMBER 31, 2023

FINANCIAL RATIO	Church Mutual (Combined)	Encova Mutual (Combined)	Farm Bureau Michigan (Combined)	Kentucky Farm Bureau (Combined)	Renaissance Reinsurance U.S. Inc.	P & C Industry	Unusual Values Equal to or Over Under	
1 Gross Premiums Written to PHS	268	63	144	86	240	100	900	
2 Net Premiums Written to PHS	215	61	129	80	105	82	300	
3 Change in Net Premiums Written	6	11	13	11	(5)	10	33	(33)
4 Surplus Aid to PHS	1	1	0	0	2	5	15	
5 Two-Year Overall Operating Ratio	<u>109</u>	91	<u>106</u>	<u>117</u>	92	93	100	
6 Investment Yield	3.0	2.8	3.8	2.8	3.3	3.1	5.5	2.0
7 Gross Change in PHS	<u>(30)</u>	8	(8)	<u>(13)</u>	(3)	6	50	(10)
8 Net Change in Adjusted PHS	<u>(30)</u>	8	(8)	<u>(13)</u>	(3)	6	25	(10)
9 Liabilities to Liquid Assets	95	62	65	50	89	79	100	
10 Gross Agents' Balances to PHS	23	3	5	1	8	9	40	
11 One-Year Reserve Development to PHS	20	(2)	(7)	2	3	0	20	
12 Two-Year Reserve Development to PHS	15	(7)	(10)	1	6	0	20	
13 Estim. Current Reserve Deficiency to PHS	11	1	(3)	1	(17)	3	25	
Total Unusual Values	3	0	1	3	0	0		

Note: Underlined Item Indicates an Unusual Value

FINANCIAL SUMMARY

(\$ in thousands)

	\$	\$	\$	\$	\$
Net Written Premiums	1,122,735	1,284,440	933,558	1,330,140	1,091,497
Policyholders' Surplus	522,194	2,108,791	725,358	1,662,806	1,044,011

Combined Totals \$
5,762,370
6,063,160

PROFITABILITY, LEVERAGE, LIQUIDITY
AND RESERVE RATIOS
OF THE
2024 ASSUMING COMPANIES

EXHIBIT VI



MUTUAL RE
2024 ASSUMING COMPANIES

PROFITABILITY, LEVERAGE, LIQUIDITY AND RESERVE RATIOS

FOR THE PERIOD(S) ENDED DECEMBER 31, 2023

	Church Mutual (Combined)	Encova Mutual (Combined)	Farm Bureau Michigan (Combined)	Kentucky Farm Bureau (Combined)	Renaissance Reinsurance U.S. Inc.	Mutual Re Combined Total
A.M. Best Rating	A	A	A-	A	A+	N/A
Profitability Ratios:	<i>For Five Year Period 2019 through 2023:</i>					
Loss & LAE Ratio	73.10	68.20	78.60	87.30	74.90	76.50
Expense Ratio	33.10	31.30	30.10	23.10	26.00	28.60
Policyholder Dividend Ratio	1.40	0.30	0.00	0.40	0.00	0.40
Combined Ratio	107.60	99.80	108.70	110.80	100.90	105.50
Operating Ratio	103.05	90.60	101.94	103.61	93.08	98.31
Pre-Tax ROR (Return on Revenue)	(3.83)	9.23	(2.54)	(2.41)	2.96	0.94
Net Income / Net Premium Earned	(0.83)	8.71	(1.11)	(0.36)	1.88	1.92
Net Yield on Invested Assets	2.36	2.57	3.84	2.82	2.12	2.62
Net Change in PHS	(15.76)	45.42	(0.24)	8.67	105.97	25.42
Return on PHS (ROE)	(1.12)	5.38	(1.16)	(0.22)	1.99	1.58
Leverage Ratios:	<i>For Calendar Year 2023:</i>					
Net Change in NPW	6.32	10.95	12.68	11.40	(4.66)	7.09
DPW to PHS	2.56	0.60	1.36	0.81	0.00	0.81
NPW to PHS	2.15	0.61	1.29	0.80	1.05	0.95
Liabilities to PHS	3.55	1.45	1.42	0.90	4.02	1.92
Net Leverage	5.70	2.06	2.71	1.70	5.06	2.87
Reinsurance Recoverable to PHS	31.10	8.25	109.07	3.82	211.28	56.02
Liquidity Ratios:	<i>For Calendar Year 2023:</i>					
Cash & ST Investments / Liabilities	4.08	11.96	(3.05)	6.57	4.75	6.08
Bonds Rated 3-6 / Total Bonds	0.01	0.05	2.12	0.24	0.22	0.53
Reserve Ratios:	<i>For Calendar Year 2023:</i>					
Loss & LAE Reserves to PHS	198.38	97.68	73.94	37.08	215.27	107.14
Loss & LAE Reserves to NPE	85.72	164.94	59.88	46.89	198.81	112.37

MUTUAL REINSURANCE BUREAU
ARTICLES OF ASSOCIATION, BYLAWS
AND ASSUMING CONTRACT

EXHIBIT VII



MUTUAL REINSURANCE BUREAU
ARTICLES OF ASSOCIATION, BYLAWS
AND ASSUMING CONTRACT

EFFECTIVE: JANUARY 1, 2020

Whereas, the Assuming Member Companies of the Mutual Reinsurance Bureau desire to revise and perfect their working agreement, the Articles of Association, Bylaws and Assuming Contract dated January 1, 2013 are revoked, and these Articles of Association, Bylaws and Assuming Contract (hereinafter referred to as "Articles of Association") are substituted therefore, effective January 1, 2020. The Assuming Member Companies,

CHURCH MUTUAL INSURANCE COMPANY,
FARM BUREAU MUTUAL INSURANCE COMPANY OF MICHIGAN,
KENTUCKY FARM BUREAU MUTUAL INSURANCE COMPANY,
MOTORISTS MUTUAL INSURANCE COMPANY, and
RENAISSANCE REINSURANCE U.S. INC.

are hereinafter collectively referred to as "Member Companies".

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ARTICLE 1 - NAME AND LOCATION

This organization is an unincorporated joint reinsurance association known as the Mutual Reinsurance Bureau (hereinafter called "Mutual Re"). The principal place of business will be Cherry Valley, Illinois.

ARTICLE 2 - PURPOSE

The purpose of Mutual Re will be to facilitate the making of reinsurance agreements between the Member Companies and other insurance companies through the establishment of an office and the Member Companies' appointment of an attorney-in-fact to arrange and effectuate reinsurance agreements on their behalf.

ARTICLE 3 - MEMBERSHIP STANDARDS

Member Companies are expected to maintain an A.M. Best rating of "A-" or better. However, if a Member Company's rating falls to "B++", that Member Company will be permitted to remain in Mutual Re on a probationary basis. The initial probationary period is three (3) years. The Member Company may be permitted to remain in Mutual Re on a continued probationary basis thereafter subject to annual review and approval by the remaining Member Companies. The remaining Member Companies will consider factors such as, but not limited to, the current A.M. Best rating, A.M. Best outlook, BCAR score, Demotech Financial Stability Rating, IRIS ratio results, parent/subsidiary/affiliated relationships, capital/surplus amount, and such other quantitative and qualitative factors as are determined by the Board of Directors.

Should a Member Company receive a rating of "B+" or less, it will be terminated as soon as possible after notification to the Member Company of such a rating.

A Member Company is expected to maintain a statutory policyholders' surplus of at least \$250,000,000. However, if A.M. Best determines a Member Company's "net leverage ratio" (the sum of the net written premium to statutory policyholders' surplus ratio and net liabilities to policyholders' surplus ratio) is 4.0 to 1.0 or less, a policyholders' surplus of less than \$250,000,000 will be permissible. Any Member Company with statutory surplus of less than \$250,000,000 and a net leverage ratio of greater than 4.0 to 1.0 at the end of any calendar year will be terminated as of the end of the subsequent calendar year if these requirements are not met as of the end of the subsequent calendar year.

Member Companies are expected to maintain a net written premium to statutory policyholders' surplus ratio of 2.5 to 1.0 or less, and to be within normal ranges for all key "IRIS early warning" and A.M. Best "profitability" tests.

Any time a Member Company has its Best's rating reduced, fails more than two (2) key "IRIS" tests or two (2) key Best's tests (as determined by the Board of Directors), or exceeds the expected net written premium to statutory policyholders' surplus ratio of 2.5 to 1.0, such Member Company will be required to provide a narrative to the other Member Companies explaining the reasons for the changes and the actions taken or to be taken to satisfy the expected standards.

Consolidated (Group) Member Company financial data is to be provided on a quarterly basis to Mutual Re, and Mutual Re will then provide summary information to all Member Companies.

It will be the responsibility of Mutual Re management to monitor and review member compliance with the standards contained in this Article 3 and to report noncompliance and related issues, if any, at the next scheduled regular meeting of the Board of Directors.

ARTICLE 4 - EXERCISING ASSOCIATION POWERS

Board: The Board of Directors of Mutual Re, (hereinafter called the "Board") will consist of one person from each Member Company or Member Company group, who will be that Member Company's chief executive officer or designee; designees are to be declared as such in writing to the President. The chief executive officer or designee may also designate an alternate representative on a temporary basis with appropriate communication to the President if temporarily unable.

Each Member Company will have one (1) vote on all issues. If two or more Member Companies merge, their total vote will be one (1). The Board will act by majority vote.

The Board will manage and direct the affairs of Mutual Re and will take such action as it may deem necessary to carry out the purpose of Mutual Re. The Board will fix the compensation of all officers and will determine the manner of fixing the compensation of all employees. The Board may delegate such powers and assign such duties as it may deem advisable.

Meetings: Quorum for each meeting will be based on a majority of all Member Companies. If a Quorum is declared, then a meeting will continue. If Quorum (majority) is not declared, then a meeting will be adjourned and rescheduled. In all circumstances, all voting actions will require majority approval, including subsequent approval by any absent Member Companies, if necessary.

Regular meetings of the Board will be held each calendar quarter. The Board will determine the place and date of each meeting.

The annual Board meeting will be held during the month of May. The Board will determine the place and date of the meeting. When, in the opinion of the Board, conditions of emergency exist which make it impossible or impractical to hold the annual meeting, the Board may prescribe a procedure for the election of officers and for the determination of other issues.

The Chairperson or the President may call special meetings at any time or at the request by a majority of the Board. Notice of meetings stating the place, date, hour, and purpose will be sent to all Board members at least fifteen (15) days in advance of all regular and special meetings.

Special teleconference meetings of the Board may also be called provided that there is at least 24 hours notice and that the Board unanimously consents to such a meeting.

The Chairperson (or temporary alternate designee) will preside at all meetings of the Board. The Vice Chairperson will act in place of the Chairperson in the absence of the said Chairperson or in the event of inability to act.

The Board will keep full and accurate minutes of all its meetings, which will be submitted to the Board for acceptance at the next Board meeting. A copy of the minutes of each meeting will be filed in the Mutual Re office.

Special written communications by email may also be utilized by the President or Board for approval of issues, where deemed appropriate.

Proxies: At any meeting of Mutual Re, a member of the Board may vote by proxy executed in writing, or by a duly constituted and appointed designee and proxy named in writing.

Election of Board Officers: The Board will elect a Chairperson, a Vice Chairperson, and a Vice Chairperson-Elect. These officers will serve on a rotating basis in that at each annual meeting the officer currently serving as Vice Chairperson will be elected Chairperson; and the officer currently serving as Vice Chairperson-Elect will be elected Vice Chairperson. The Board will elect a Vice Chairperson-Elect annually in accordance with the following schedule of succession as existing at January 1, 2020.

Chairperson: Farm Bureau Mutual Insurance Company of Michigan
Lansing, Michigan

Vice Chairperson: Church Mutual Insurance Company
Merrill, Wisconsin

Vice Chairperson-Elect: Motorists Mutual Insurance Company
Columbus, Ohio

Kentucky Farm Bureau Mutual Insurance Company
Louisville, Kentucky

Renaissance Reinsurance U.S. Inc.
New York, New York

The Member Companies will hold the actual offices and will be represented by their chief executive officer or designee.

Mutual Re Officers: At each annual meeting the Board will also elect the following officers of Mutual Re: President, one or more Vice Presidents, Secretary, Treasurer, and such other officers as the Board may deem necessary. Mutual Re officers will be employees of Mutual Re and one person may hold two or more offices, except that the offices of President and Secretary will never be combined.

The President of Mutual Re will be an ex-officio member of the Board and serve as attorney-in-fact for each Member Company.

The officers of the Board and of Mutual Re will have the usual and customary powers and duties pertaining to their respective offices, as well as such powers and duties as the Board may, from time to time, confer upon them.

Vacancies: The Board will have the power to fill any vacancy occurring on any committee or in any office until the next Mutual Re annual meeting.

Attorney-in-Fact and President: Each Member Company subscribing to these Articles of Association hereby grants authority to the Board to name, constitute, and elect an attorney-in-fact for the Member Company. The attorney-in-fact will also be elected as President of Mutual Re and hereinafter will be referred to as "President."

The President will be the chief executive officer of Mutual Re, will have general charge of its business and affairs, will enforce and carry out the orders and instructions of the Board and will discharge all other duties imposed upon him by these Articles of Association.

The President will have the power to make contracts of reinsurance and assume reinsurance liability on behalf of each Member Company, subject to the provisions and conditions of these Articles of Association and in accordance with the underwriting guidelines approved by the Board.

The President may be removed at any time by a unanimous vote of the Board. At the time the Board removes a President, it will fix the date of termination of powers. Upon the removal, resignation, or death of a President, the Board will elect another.

Parliamentary Procedure: Robert's Rules of Order will govern all parliamentary matters not covered by these Articles of Association.

Access to Records: Any Member Company will have access to all the books and records of Mutual Re.

Annual Reporting: The Board will approve a certified public accountant to report on the books and accounts of Mutual Re as soon as practicable after the close of each calendar year, and a copy of the report will be provided to each Member Company. The annual reporting may be in the form of an audit, review, compilation, agreed-upon procedures, or other Board approved engagement.

Choice of Law and Forum: Any dispute arising from these Articles of Association will be resolved in the State of Illinois and laws from the State of Illinois will govern the interpretation and application of these Articles of Association.

ARTICLE 5 – BONDS AND INSURANCE

The Board will require from the President and other officers and employees of Mutual Re surety or fidelity bonds, directors and officers (D&O) insurance, and other insurance in such amounts as it deems advisable. These bonds and insurance are to be paid for by Mutual Re.

ARTICLE 6 - PERSONAL INDEMNIFICATION

Any person made or threatened to be made a party to any action, suit, or proceeding, because such person served on a committee or was a director, officer, or employee of the Board or an employee of Mutual Re, will be fully indemnified against all judgments, fines, amounts paid in settlement, reasonable costs and expenses, including attorney's fees and any other liabilities that may be incurred as a result of such action, suit, or proceeding, or threatened action, suit, or proceeding, except in relation to matters as to which such person will be adjudged in such action, suit, or proceeding to be liable by reason of willful misconduct in the performance of his or her duties or obligations to the Board and with respect to any criminal actions or proceedings, except when such person had reasonable cause to believe that his or her conduct was not unlawful. Such indemnification will be provided whether or not such person is holding office or is employed at the time of such action, suit, or proceeding, and whether or not any such liability is incurred prior to the adoption of this article. Such indemnification will not be exclusive of other rights such person may have and will pass to the heirs, executors, or administrators of each such person. The termination of any such civil or criminal action, suit, or proceedings by judgment, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, will not in itself create a presumption that any person was liable by reason of willful misconduct or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Nothing herein will be deemed to bind a person or to preclude such person from asserting the right to such indemnification by legal proceedings. Such indemnification as is herein provided will be apportioned among all Member Companies pursuant to Article 12 (Expenses) of the Articles of Association.

ARTICLE 7 - ADDITIONAL MEMBER COMPANIES

Additional Member Companies may be admitted to Mutual Re by a unanimous vote of the Member Companies. The Chairperson of the Board will give notice to all Member Companies that a proposed additional Member Company will be voted on at a Mutual Re meeting, at least fifteen (15) days in advance of such meeting.

In order to be eligible for membership in Mutual Re, a company must be rated A- or better by A.M. Best, have a statutory policyholders' surplus of \$250,000,000 or more, and not exceed a 2.5 to 1.0 ratio of net written premiums to statutory policyholders' surplus. All key IRIS and A.M. Best tests (as determined by the Board of Directors) will be within accepted ranges.

Additional Member Companies share only in the:

- 1) Reinsurance assumed effective with the date admitted to membership on agreements in-force, written, or renewed on or after the effective date of membership; and
- 2) Obligations and liabilities of Mutual Re that occur on or after the effective date of membership unless such obligation or liability arises out of a reinsurance agreement prior to the Member Company's effective date of membership.

The names of additional Member Companies will be added to the bottom of the schedule of succession in Article 4, which is in effect at the date of their admission.

ARTICLE 8 - TERMINATION OF OR WITHDRAWAL FROM MEMBERSHIP

Termination: The membership of any Member Company may be terminated at a meeting by a unanimous vote of the other Member Companies. At least fifteen (15) days' prior written notice will be given to all Member Companies by the Chairperson of the Board that the question of termination of membership will be placed before the meeting. The effective date of the termination will be at the sole discretion of the Board and will be communicated to the terminating Member Company with at least fifteen (15) days' prior written notice sent by registered mail.

Withdrawal: A Member Company may withdraw voluntarily from Mutual Re as of midnight Central Standard Time on the last day of December in any year by giving written notice by registered letter to Mutual Re at least eighteen (18) months prior to the date of withdrawal. The eighteen (18) month notice period may be waived at a meeting of Mutual Re by a unanimous vote of the other Member Companies. Until such withdrawal date, the withdrawing Member Company will continue to be bound as a Member Company, and the reinsurance liability which it may have will be carried by it until the expiration of such reinsurance; however the withdrawing Member Company will not participate in any reinsurance liability or any other liability or obligation incurred prior to the date

membership commenced and subsequent to the date of withdrawal. All matters relating to unexpired reinsurance liability will be determined and carried out under these Articles of Association.

A Member Company terminating or withdrawing for any reason whatsoever, will, at the request of the Board, cede all or part of the unexpired reinsurance assumed through Mutual Re to the remaining Member Companies listed on the Schedule of Reinsurers attached to and forming part of each reinsurance agreement in-force as of the date of termination.

Expense of Termination or Withdrawal: Upon terminating or withdrawing, the retiring Member Company will pay to Mutual Re the actual cost of handling the retrocession of its unexpired reinsurance assumed through Mutual Re, but in no case more than ten percent (10%) of Mutual Re's gross unearned premiums at termination date.

A terminating or withdrawing Member Company will pay its share of Mutual Re claim handling expenses associated with the run off of its Mutual Re liabilities until such time as all of its Mutual Re liabilities are satisfied. Such claims handling expenses will include salaries and related overhead expenses for claims department personnel and will be apportioned monthly according to losses outstanding after termination or withdrawal.

Commutation of Losses Upon Termination or Withdrawal: At the option of the remaining Member Companies, a terminating or withdrawing Member Company will make a full and complete commutation or settlement of all unpaid losses including incurred-but-not-reported losses. This commutation or settlement option, if exercised, will prevail over any other language dealing with the liability of the terminating or withdrawing Member Company. Commutation will normally take place as of twelve (12) months following the date of withdrawal or termination, but this period may be shortened or extended at the option of the remaining Member Companies. Remaining Member Companies will assume responsibility for unpaid losses occurring prior to the termination date that would otherwise be the responsibility of a terminating or withdrawing Member Company, in return for consideration to be agreed by a majority of three (3) parties: a party chosen by the Mutual Re Board, a party chosen by the terminating or withdrawing Member Company, and a third party to be chosen by the other two (2) parties. If the terminating or withdrawing Member Company refuses or neglects to appoint a party to represent it within thirty (30) days after receipt of written notice from the other Member Companies requesting commutation, the other Member Companies may nominate two (2) parties, who will choose the third party. The three (3) parties will agree on commutation consideration within 180 days of their appointment. The decision of a majority of the parties will be final and binding on Mutual Re and the terminating or withdrawing Member Company.

ARTICLE 9 - DISSOLUTION OF MUTUAL RE

If at any time Mutual Re will be dissolved or cease to transact the business of reinsurance, then whatever remains in the way of operating reserve funds (other than the Deposit Fund of each Member Company), equipment or otherwise, after the full payment of losses and expenses, will be divided and distributed to the Member Companies in the proportion that each Member Company's reinsurance premiums in force bear to the total reinsurance premiums in force in all Member Companies at the time of dissolution.

ARTICLE 10 - INSOLVENCY

Ceding Company Insolvency: In the event of the insolvency of a company which has ceded reinsurance to the Member Companies through Mutual Re, any claim for reinsurance will be payable to the ceding company or to its liquidator, receiver, or statutory successor on the basis of the liability of the ceding company under the contract or contracts reinsured without diminution because of the insolvency of the ceding company. The reinsurance will be payable as provided above except as otherwise provided by Section 4118(a) (relating to Fidelity and Surety Risks) of the Insurance Law of New York, or except (a) where the contract specifically provides another payee of such reinsurance in the event of the insolvency of the ceding company and (b) where the reinsurer with the consent of the direct insured or insureds has assumed such policy obligations of the ceding company as direct obligations of the reinsurer to the payees under such policies and in substitution for the obligations of the ceding company to such payees.

Member Company Insolvency: In the event any Member Company will be adjudged to be insolvent, or in the event of the appointment of a receiver or conservator for a Member Company, its membership will terminate on the day such action occurs. Such former Member Company will be deemed to have made a voluntary withdrawal under the provisions of Article 8 as of that day. All of the reinsurance of the former Member Company written through Mutual Re will be assumed by the respective remaining Member Companies that coincided membership in Mutual Re along with the former Member Company for each respective year in the same proportion that each respective remaining Member Company's participation bears to the total reinsurance as of the close of the last year preceding the date of withdrawal.

As of the date of termination of membership under this Article, the respective remaining Member Companies will assume all the obligations of the former Member Company to the ceding companies with respect to reinsurance assumed through Mutual Re, including obligations for losses incurred but unpaid and unearned premiums; provided that in the case of each payment to or on account of a ceding company the payee will execute agreements, assignments, and subrogation papers satisfactory to the respective remaining Member Companies for the enforcement of their claims against the former Member Company or its legal representative.

ARTICLE 11 - DEPOSIT FUND

Each Member Company will deposit with Mutual Re an amount agreed upon by the Board (hereinafter called the "Deposit Fund"). Mutual Re will not credit any part of the Deposit Fund against any losses, return premiums, balances, or any amounts due Mutual Re. This Deposit Fund will be returned to a Member Company that withdraws or terminates when all of the reinsurance on which it has assumed liability under these Articles of Association will have terminated. However, in the event that a former Member Company has not paid all its obligations, Mutual Re may apply the former Member Company's Deposit Fund to its account and return the balance, if any.

ARTICLE 12 - EXPENSES

The expenses incidental to the operation of Mutual Re for any period will be borne by the Member Companies in the proportion that the reinsurance premiums received by each Member Company bear to the total reinsurance premiums received by all Member Companies or as otherwise agreed to by the Board.

ARTICLE 13 - PREMIUMS AND ACCOUNTS

Each Member Company will share in the reinsurance premiums received through Mutual Re in proportion to the liability each Member Company assumes. Mutual Re will keep account of all reinsurance written and cancellations thereof. Mutual Re will furnish each Member Company a monthly report, itemizing premium by line of business. Each Member Company agrees to comply with all rules adopted by the Board in the matter of accounts and payments.

The reinsurance liability each Member Company assumes will be retained by the Member Company at its own risk and not retroceded in its entirety, except when such retrocession is to an affiliate of the Member Company, unless notice of such retrocession is given to Mutual Re and approved by the Board.

ARTICLE 14 - LOSSES

Member Companies will bear their proportionate share of losses and loss adjustment expenses incurred on reinsurance assumed and will participate in all salvage. Mutual Re will furnish each Member Company a monthly report of all paid and outstanding loss and loss adjustment expense reserves (including incurred-but-not-reported losses) by line of business. The payment of losses will be under rules approved by the Board.

ARTICLE 15 - COLLATERALIZATION

A Member Company is required to collateralize one hundred percent (100%) of its Mutual Re liabilities including, but not limited to, its share of the unearned premium reserve, outstanding loss reserve (including incurred-but-not-reported reserve), and contingent commission reserve for which the Member Company is liable based on their

respective participation in Mutual Re under the following circumstances:

- Immediately upon receiving a rating from A. M. Best of less than "B++."
- As of the end of any calendar quarter, if statutory policyholders' surplus is less than \$250,000,000, and if the "net leverage ratio" as calculated by A.M. Best is greater than 4.0 to 1.0.
- As of the end of any calendar year if the net written premium to statutory policyholders' surplus ratio is greater than 3.0 to 1.0.

The following will constitute satisfactory collateral in any proportion:

- An approved letter of credit in accordance with NAIC standards (or New York State Insurance Department regulations, where appropriate).
- An actual cash deposit (any cash deposits will be invested separately and interest thereon credited to the Member Company).

ARTICLE 16 - ARBITRATION

Should any difference of opinion arise between any Member Company and Mutual Re, which cannot be resolved in the normal course of business with respect to the interpretation of these Articles of Association or the performance of the respective obligations of the parties under these Articles of Association, the dispute will be referred to three (3) arbiters. The arbiters will be executive officers of insurance or reinsurance companies authorized to transact business in one or more of the States of the United States of America and writing the kind of business about which the difference has arisen.

One arbiter will be chosen by the Board of Mutual Re, one by the Member Company, and the third by the two arbiters so chosen, within thirty (30) days of their appointment. If either party refuses or neglects to appoint an arbiter within thirty (30) days after receipt of written notice from the other party requesting it to do so, the requesting party may nominate two (2) arbiters, who will choose the third. Each party will submit its case to the arbiters within sixty (60) days of the appointment of the arbiters. The arbiters will consider this agreement an honorable engagement rather than merely a legal obligation; they are relieved of all judicial formalities and may abstain from following the strict rules of law.

The arbiters will give their decision in writing at the earliest convenient date, but not later than sixty (60) days after having received the case from the parties. The decision of a majority of the arbiters will be final and binding on both parties.

The expense of the arbiters and the arbitration will be divided equally between the parties. The arbitration will take place in Chicago, Illinois, unless some other location is mutually agreed upon.

ARTICLE 17 - AMENDMENTS AND EXCEPTIONS

These Articles of Association may be amended at any quarterly meeting of the Board or at any special meeting called for this purpose. It will require the affirmative unanimous vote of the Board to amend these Articles of Association, provided, however, that no amendment will be considered at any meeting unless the same will be reduced to writing, and submitted to each member of the Board at least sixty (60) days prior to the meeting at which the proposed amendment is to be voted upon.

Exceptions to these Articles of Association, other than those already expressly provided for within these Articles of Association, will be made only upon unanimous agreement at any meeting of the Board.

ARTICLE 18 - SUBSCRIPTION AND ACCEPTANCE

The above and foregoing Articles of Association will take effect according to their terms and will be binding upon each Member Company, which subscribes to a copy of the Articles of Association.

In witness whereof, the parties hereto have signed these Articles of Association on the dates as shown on the following Signature Page(s) and each Member Company agrees to be bound thereby as a Member Company of Mutual Re effective as of the 1st day of January 2020.

**MUTUAL REINSURANCE BUREAU
ARTICLES OF ASSOCIATION, BYLAWS
AND ASSUMING CONTRACT
SIGNATURE PAGE**

CHURCH MUTUAL INSURANCE COMPANY

Merrill, Wisconsin



Attest



SVP + CFO

Name

Title

Date

11/13/19

**FARM BUREAU MUTUAL INSURANCE COMPANY
OF MICHIGAN**

Lansing, Michigan



Attest



V.P. & Corporate Controller

Name

Title

Date

11/13/19

**KENTUCKY FARM BUREAU
MUTUAL INSURANCE COMPANY**

Louisville, Kentucky



Attest



Corporate President & Risk Mgr.

Name

Title

Date

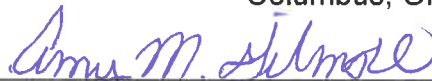
11/13/19

MOTORISTS MUTUAL INSURANCE COMPANY

Columbus, Ohio



Attest



VP-Commercial Lines

Name

Title

Date

11/13/19

RENAISSANCE REINSURANCE U.S. INC.

New York, New York



Attest



SVP

Name

Title

Date

11/13/19