

2016 Annual Report



Trust in Tomorrow.

MISSION

Cultivate trusted relationships with:

Mutual members by providing state-of-the-art reinsurance solutions and consultative services focusing on members’ success

Agents by providing insurance solutions with a focus on ease of doing business

Policyholders by fulfilling our promise to help you in your time of need

Employees by providing an innovative environment where you are empowered to be your best

V An empowered
I team driving
S innovative
I reinsurance
O and insurance
N solutions

- CORE VALUES**
- Act with integrity
 - Trust and respect our employees
 - Value our relationships
 - Serve and protect our customers





STRATEGIC GOALS

1

Assist mutual members and agents to expand writing profitable business

2

Leverage innovation to address risks and industry changes

3

Develop profitable products, programs, and distribution channels

4

Optimize technology to be considered highest standard by customers

5

Encourage and foster a culture of high employee engagement, ownership, and customer service within an environment of continuous improvement

Larry Jansen

“Trust in Tomorrow” isn’t just the theme of 2016’s annual report, it’s a new state of mind for Grinnell Mutual — a mantra we’re taking very seriously. ”

Serving you as president and CEO of Grinnell Mutual has been a truly remarkable experience. We’ve come a long way as a membership and together have established a formidable financial foundation.

2016 ended with Grinnell Mutual’s second best financial results in our 108-year history. This (and the historic numbers of each of the last five years) is a direct result of the hard work and dedication from our employees, the board of directors, and the membership. With an underwriting profit of \$70.2 million, a 14.1 percent surplus growth, and combined ratio of 87.2, our capacity ratio dropped to 94 percent, a number we haven’t seen since the 1960s. We’ve proven that working together through civil discourse and open minds is the key to our success.

When I retire in mid-December, my hope for Grinnell Mutual is that it continues to be the vital, energetic company it’s been for the last half decade. We’ve always been a company committed to building trusted relationships, but now we’ve discovered the power of proactivity. Staying comfortable isn’t part of our plan. We understand that to be ready for tomorrow, we must go above and beyond today.

“Trust in Tomorrow” isn’t just the theme of 2016’s annual report, it’s a new state of mind for Grinnell Mutual — a mantra we’re taking very seriously. To evolve effectively, we all must embrace change, and change can be intimidating. Even small steps can feel like giant leaps. But technology is changing our industry by the hour and there’s no time to be complacent.

Implementing Guidewire — a digital platform that will revolutionize the way we do business with our agents and policyholders — reflects our commitment to innovation and will allow us to be true competitors for decades to come. Once it’s introduced in Pennsylvania in mid-2018, Guidewire will make us more effective and more efficient, and will keep us focused on the road ahead.

And our eye on tech doesn’t stop there: We’re also one of the first companies to invest in Global Insurance Accelerator (GIA), created to promote innovation in the insurance industry by supporting startups targeting the global market. In 2016 we identified and invested in technologies we know will make our industry better and more profitable.

When you change the way you do business, you must remember your most important asset: people. Grinnell Mutual employs incredibly talented, thoughtful, fun-loving, and intelligent folks, and they’re the reason this company enjoys ongoing success. We owe our agents, mutuals, policyholders, and employees our best, which is why we put the wheels in motion for a corporate rebrand in early 2016 — an internal and external overhaul that now reflects the energy, ambition, and vitality of the people who make Grinnell Mutual tick. This isn’t just about a new logo. It’s breathing new life into what we do every single day.



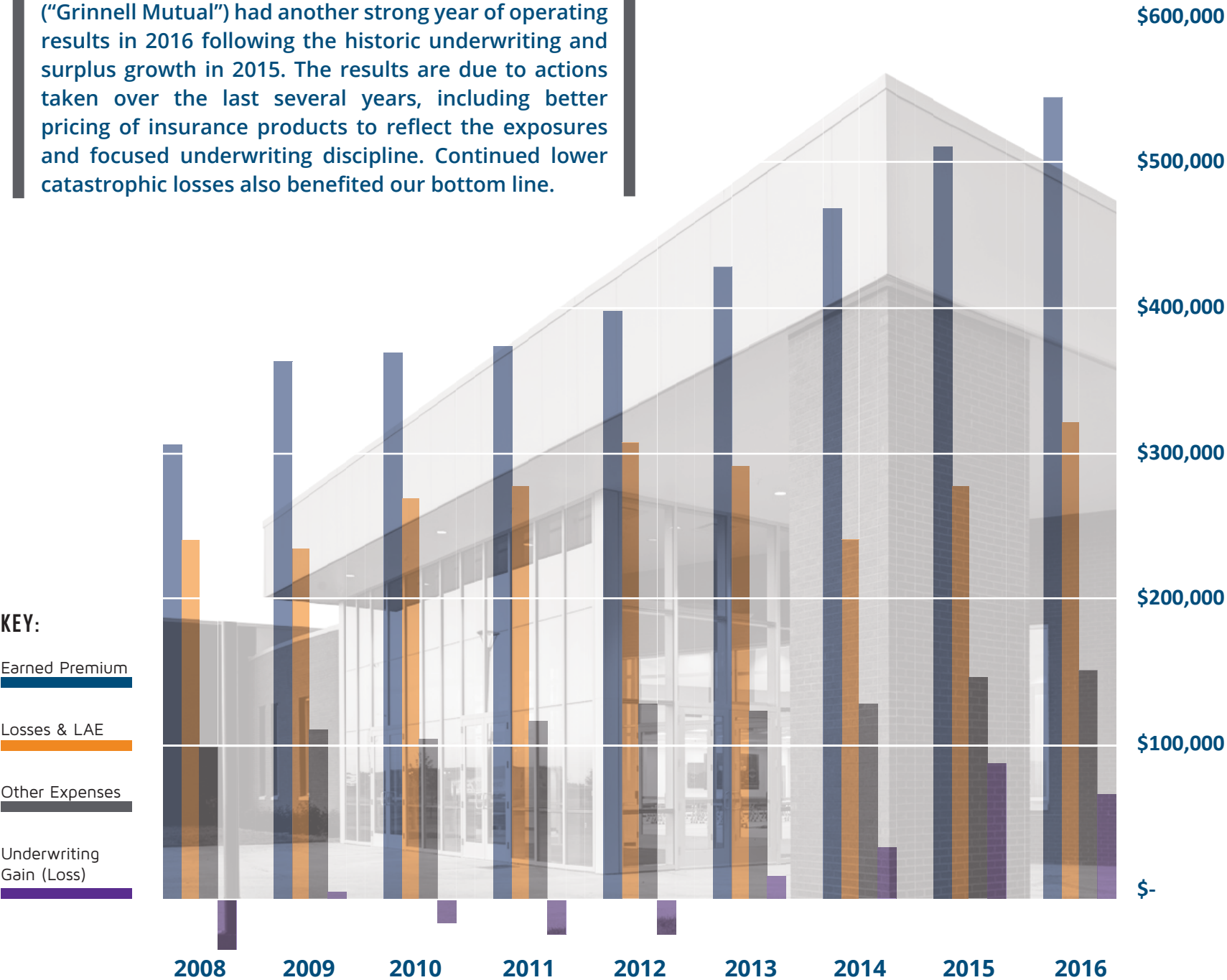
Because this is my final annual meeting, I want to take this opportunity to let you know how grateful I am to have been part of such an incredible company and to have worked with the best and brightest this business has to offer. I'll be proud to hand over the reins to Jeff Menary at the end of 2017, and I have every faith that Grinnell Mutual will continue to thrive and grow under his very capable leadership.

Larry Jansen, president and CEO

2016 awards and recognition

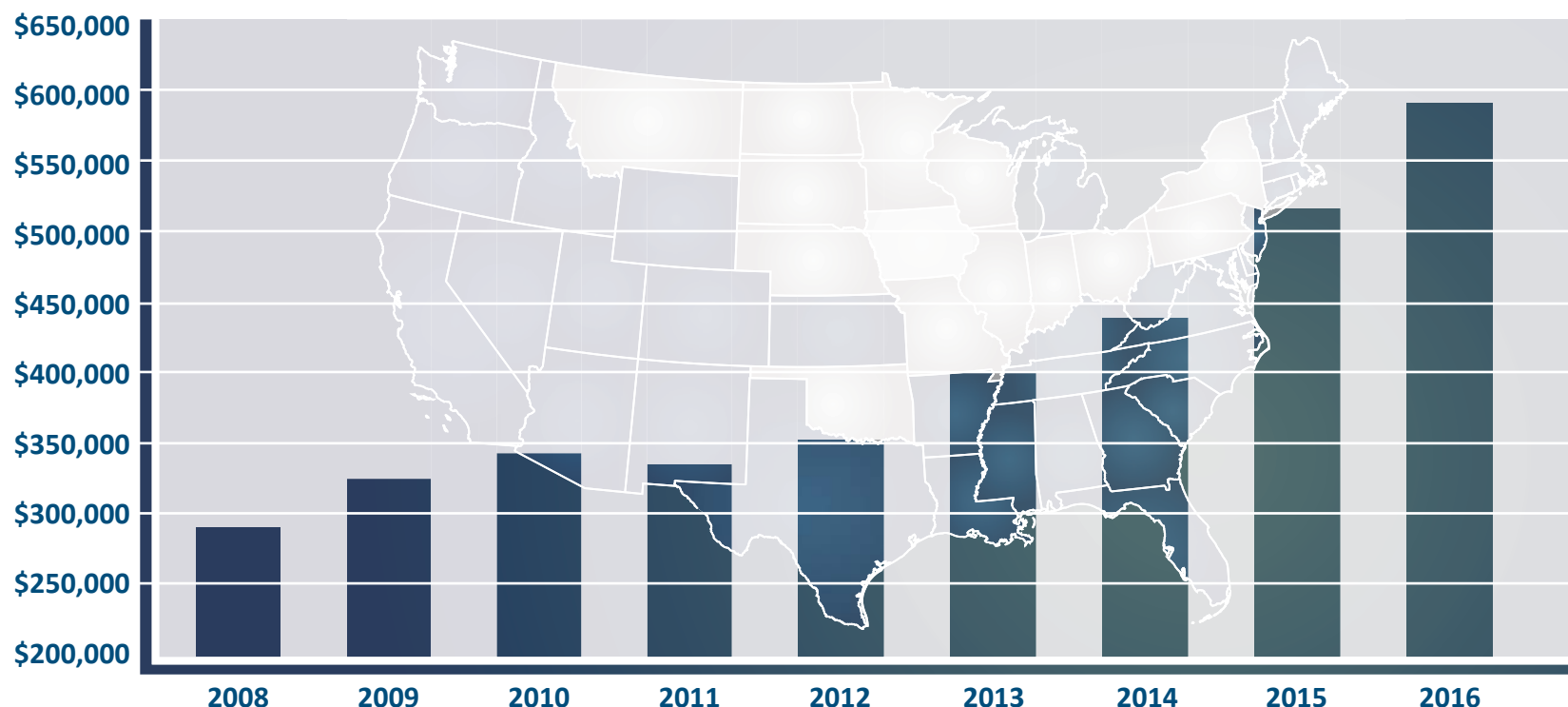
- Ward's Top 50 P&C company
- A.M. Best "A" rating for 25th year
- Iowa Top Workplace for sixth straight year
- Greater Poweshiek County Community Foundation's 2016 Business Partner of the Year
- Wellness Council of America (WELCOA) Top 50 Active Company
- Workflow Management Coalition's Global Award for Excellence in Case Management
- NAMIC Recognition
 - 4 Grinnell Mutual member staff earned the Professional Farm Mutual Manager designation
 - 38 Grinnell Mutual member staff earned the Farm Mutual Director certification
 - 6 Grinnell Mutual and member staff joined the NAMIC Merit Society
 - 6 mutual managers serve on the NAMIC board for 2016-2017
- 9 Grinnell Mutual independent agencies recognized for best practices

Grinnell Mutual Reinsurance Company and subsidiaries (“Grinnell Mutual”) had another strong year of operating results in 2016 following the historic underwriting and surplus growth in 2015. The results are due to actions taken over the last several years, including better pricing of insurance products to reflect the exposures and focused underwriting discipline. Continued lower catastrophic losses also benefited our bottom line.



>>Premium, Losses, Underwriting Results (\$s in thousands) Grinnell Mutual Reinsurance Company

The results for 2008 were impacted by the Parkersburg, Iowa, tornado along with the investment downturn from the economic crisis; 2011 included losses from multiple catastrophic windstorms, hailstorms, and tornadoes in Iowa, Missouri, Minnesota, and Illinois; and in 2012, we were charged much higher costs for our reinsurance protection while having to retain and absorb more of our property losses. Our results were significantly improved in 2013 through 2016 following needed premium increases in 2013 through 2015; lower ceded reinsurance costs attributable to no recoveries on the property mainframe program in 2012 through 2016; and decreased catastrophic weather-related losses in 2015 and 2016.



>> Ending Surplus (\$s in thousands) Grinnell Mutual Reinsurance Company

2016 Results

Premiums earned increased 7 percent in 2016, primarily from more direct personal automobile and commercial lines business. Premiums ceded to reinsurers reduced earned premiums by \$55 million in 2016 compared to \$54.5 million in 2015. The loss and loss adjustment expense ratio increased to 59 percent in 2016 from 53 percent in 2015. The increase in the ratio was primarily due to weather-related losses in 2016 (compared to unusually low severe weather losses in 2015).

Both years were favorably impacted by strong underwriting and growth in earned premiums. There were no recoveries under our ceded property mainframe program during the period 2012 through 2016, which has stabilized costs associated with that coverage. Underwriting and general insurance expenses decreased .08 percent because controllable expenses are being carefully managed. The underwriting results were a gain of \$70.2 million in 2016 compared to \$93.0 million in 2015. The combined ratio increased to 87.2 percent in 2016 from the historic low of 82 percent in 2015.

Total net investment gain was \$28.3 million in 2016 compared to \$30.6 million in 2015. Net investment income was up \$1.3 million from increased investment holdings in the portfolio. New investments are producing lower yields than maturing investments. Realized after-tax gains (losses), which amounted to \$(1.3) million in 2016 and \$2.2 million in 2015, were primarily from equity investment diversification and reallocation.

The overall increase in surplus of \$73.0 million in 2016 was primarily from net income of \$69.1 million from operations and after-tax unrealized investment gains of \$6.2 million from increased equity markets. Reductions to surplus included lower deferred income taxes of \$2.9 million and an increase in the additional liability for pension benefits of \$1.1 million. The surplus growth of 14.1 percent combined with the premium growth of 7 percent lowered the capacity ratio to 94 percent in 2016 from 102 percent in 2015. December 31, 2016, surplus totaled \$590 million and total assets were \$1.1 billion.

Grinnell Mutual has experienced two very strong years of operating results. We continue to focus on disciplined pricing and underwriting processes as we manage the business to position Grinnell Mutual for the future. Solid capital levels are critical to maintaining our current A.M. Best rating of "A" (excellent). You can trust Grinnell Mutual to be here to honor our commitments and support our mutual members, independent agents, and policyholders.

2016 FINANCIAL

Grinnell Mutual Reinsurance Company | Balance Sheet

Assets	2016	2015
Bonds	\$790,875	\$717,239
Stocks	105,181	99,075
Subsidiaries	29,627	29,211
Other investments	-	250
Real estate occupied	16,159	14,678
Cash and short-term investments	21,619	14,803
Total investments	\$963,461	\$875,256
Accrued investment income	8,928	8,038
Premiums and agents' balances receivable	92,888	89,697
Reinsurance balances	2,530	4,864
Current income taxes receivable	6,562	-
Deferred income taxes	22,417	22,531
Data processing equipment	5,358	6,609
Other	2,200	1,077
Total assets	\$1,104,344	\$1,008,072

Liabilities	2016	2015
Unpaid losses and loss adjustment expenses	\$264,811	\$250,649
Unearned premiums	180,271	172,452
Accrued expenses and accounts payable	48,582	47,852
Current income taxes payable	-	611
Reinsurance balances	3,189	3,215
Drafts outstanding	149	620
Additional liability for pension plan	17,439	15,720
Total liabilities	\$514,441	\$491,119
Surplus	589,903	516,953
Total liabilities and surplus	\$1,104,344	\$1,008,072

ALL OVERVIEW

Combined Statements of Operations and Surplus

Underwriting

	2016	2015
Premium earned	\$548,634	\$512,671
Losses incurred	(274,817)	(226,432)
Loss adjustment expenses incurred	(50,506)	(46,091)
Underwriting and general expenses incurred	(153,090)	(147,145)
Underwriting gain	\$70,221	\$93,003

Investment

Net investment income	29,692	28,390
Net realized gain (loss)	(1,364)	2,233
Total investment gain	\$28,328	\$30,623
Other	(75)	41
Income before tax	\$98,474	\$123,667
Federal income tax expense (benefit)	29,329	38,085
Net income	\$69,145	\$85,582

Other surplus changes

Net unrealized investment gain (loss)	6,241	(5,429)
Change in non-admitted assets	1,538	(1,929)
Change in deferred income tax	(2,857)	(2,073)
Change in liability for pension plan	(1,117)	718
Total surplus changes	\$72,950	\$76,869
Surplus at beginning of year	516,953	440,084
Surplus at end of year	\$589,903	\$516,953

Ratios (to Earned Premium)

	2016	2015
Loss	50.1	44.2
Loss adjustment expense	9.2	9.0
Expense	27.9	28.7
Combined	87.2	81.9

2011

Named an Iowa Top
Workplace since

77

Grinnell Mutual
employees

103 employees hired
16 retired

25

Membership count

19

Serving
States

Another 'A' rating by
A.M. Best, held since

1991

Largest property-casualty
company in the US

14th

Charitable and scholarship
donations surpassed

\$500,000

Scholarships given

111

51 Grinnell Mutual Group
Foundation scholarships

60 Road to Success college
scholarships

Academies with
290 total attendance

9

\$

Total assets now at

1.1

BILLION

More than
1,600
independent general
agency partners

Surplus totaled

\$560
MILLION

THE ROAD TO TOMORROW

Grinnell Mutual's enormous bottom-up rebranding project presented every one of its employees a freshly paved, open road with a limitless horizon.

The project offered an opportunity to solidify who we are and what matters to us, and what that means about how we treat our customers and our employees. It was the perfect moment to think about how we look at the world and how it looks back.

It was also a rare chance to reflect on — and marvel at — our amazing 108-year-old past while creating a vision and a road map for the journey ahead.

Lots of milestones and adventures lie ahead, and we have a renewed feeling of excitement and optimism to light the way. We're honored to have you as traveling companions.

We value our relationships with you, with our policyholders, and with our employees.

And we trust in a tomorrow that will make them even stronger.



Grinnell Mutual has a long history of company-wide commitment to great customer service and a reputation for financial strength and honest business practices. Thanks to the exceptional partnerships with our mutuals, agents, and employees — all of whom help bring this business model to life — we've grown like crazy. The old brand just didn't fit anymore.

So, early in 2016, senior leadership and the board of directors approved a from-the-ground-up rebrand — something that hadn't happened since 1963. While the long-time Grinnell Mutual brand built our strong foundation, it no longer represented the progressive, future-focused company that we have grown into.

"It's a chance to bring something fresh to replace the 50-year-old FarMutual brand, something that will explain our relationship more clearly and allow our members to brand their own companies more distinctly," said Dawn Sly-Terpstra, assistant vice president of the Marketing and Customer Experience department. "For the agents, the rebrand is a great chance to get to know Grinnell Mutual all over again and to get in touch with all the new things we've been doing."

The very first step was some serious corporate introspection. "When we thought about the future and what it holds, it prompted a series of questions," said Dave Wingert, executive vice president of Support

Operations and chief financial officer.

"Where are we and where do we need to go? What's our mission? How do we solidify our business model and reestablish our bonds with our partners both inside and outside the company?"

"We needed to answer these questions about how to move forward, but we needed to figure out how to do it without losing the things we care about and that make us who we are." Grinnell Mutual's Marketing and Customer Experience team, with help from The Meyocks Group, (our marketing and advertising agency of record) spearheaded the nearly year-long effort.

But the brand work, especially in the planning stages, involved people from every division in the company, as well as the senior leadership team and the board of directors.

Teams from across the company helped with every stage — from the nitty-gritty groundwork (scheduling, research, technology needs, filings...the list is long) to rethinking our mission and vision statements so they reflect a revitalized commitment to always moving forward.

Agent, mutual, and consumer focus groups and surveys also provided input about what that new brand might look like, what tools they needed, and how important ease of doing business is.

// This brand change is not just an updated logo and new marketing materials but an entire refocus of what makes Grinnell Mutual great. It's how we work together, how we serve our customers, and how we want to be thought of by our communities and the public in general.

— Dave Wingert //



From the research, it was clear that the agents and mutual members valued the company's trusted relationships above all else. They also told us that they usually referred to the company as simply "Grinnell Mutual" and that the FarMutual identity had ceased to have real marketplace meaning.

"This brand change is not just an updated logo and new marketing materials but an entire refocus of what makes Grinnell Mutual great," said Wingert. "It's how we work together, how we serve our customers, and how we want to be thought of."

Armed with the data, we inventoried and prioritized the nearly 5,000 corporate assets in various forms — policy jackets, brochures, stationery, apparel, web sites, social media channels — and began the process of updating it. To make it manageable, the rebranding was structured as a phased process, and so the work continues.

Even so, in early 2017, after months of all-hands-on-deck work, the new brand was rolled out to employees, then mutuals and agents. Finally, we introduced our new look, feel, and voice to the world.

Those first steps toward tomorrow were big ones, and as we have explored the first few miles, we've found that we have lots of fellow travelers — tomorrow is a popular destination. And it's right there in front of us.



Thanks to the work of our agency partners and the underwriters who help them grow their business, Grinnell Mutual's Direct division ended 2016 with a 93.7 percent combined ratio and a growth rate over twice the industry average — despite a year of heavy Midwestern storm activity. The division posted 8.6 percent premium growth, and a policy count growth of 6.3 percent. Grinnell Mutual is proud to staff knowledgeable underwriters, allowing every agent partner an assigned, dedicated contact.

"Our property and casualty operations have enjoyed a solid track record. Over the past four years, the direct underwriting division has grown over 30 percent, while posting a combined ratio for that period of under 93 percent," said Kurt Eaves, vice president of Underwriting and Production. "This has allowed us to book over \$80 million in operating profit over the period. Our independent agents entrust their very best clients with Grinnell Mutual, and we are honored to serve them."

Underwriting

Each of our lines of business had a successful 2016. The Grinnell Select Elite Auto program chalked up 13.7 percent growth in 2016, and Grinnell Mutual's auto premium grew over 7 percent.

For Grinnell Mutual's line of personal and property liability coverages, total personal and farm casualty written premium growth was 6.67 percent with a policy count growth of 1.7 percent. New discounts in 2016 in our Home-Guard® also helped account for growth. The added discounts in 2016 included a Homeowner Age Discount, Roof Age discount, and Customer Lifetime Value discount for our customers who have lived in a Grinnell Mutual-insured home for five or more years. Other discounts also were added.

Our farm business also had a good year said Stacy Walton, farm casualty underwriting director. "Our Farm-Guard® line of business continues to be profitable, and we have seen an increase in sales of farm endorsements, including Farm-Guard Plus and Farm-Guard Premier." Grinnell Mutual's commitment

to a broad menu of farm liability products also remains strong and, to keep pace with the ever-expanding sizes of industrial farms, Grinnell Mutual offers an umbrella policy for farm exposures up to \$10 million.

Commercial business continued to be strong, increasing about 6 percent from 2015, and totaling just under \$180 million in written premium (property and liability) in 2016.

Grinnell Mutual also introduced new ag-focused target markets in 2016, with our Feed, Seed, Grain, and Fertilizer program, broadening our agribusiness offerings to meet the demand for expanded options. The program allows policies to be tailored to each agribusiness' specific exposure to loss, and this proved to be something that was clearly in demand.

"We saw close to \$6 million in new premium in 2016, the program's first year," said Hugh Sheridan, director of Commercial Underwriting. "It's been a great program so far — very competitive — and we're already planning enhancements that'll only make it better."

Sales

The Sales department had a very successful year, growing with the help of local support staff additions and 12 agency appointments in Pennsylvania.

Our teams initiated a record number of book of business consolidations, assisting agents who believed their customers would be better served by moving from other carriers to Grinnell Mutual. Agency segmentation, which allows Sales Managers to focus on agents who benefit the most from their attention, also improved Grinnell Mutual's bottom line and reinforced the company's focus on service.

In support of our focus on service, Grinnell Mutual's in-house agency for hard-to-place risks, Grinnell Specialty Agency (formerly Big M), improved service levels and created new efficiencies with new agent management and phone systems, and by introducing broker specialization.

These changes and the Sales team's hard work were augmented by nine agent advisory meetings that were instrumental in helping both Grinnell Mutual and our agent partners.

"Our partnerships are incredibly valued," said Sales Director Bill Gallagher. "Our agent meetings provide our agents with detailed insight into how we're evolving and growing, and an opportunity for them to give us feedback. Transparency and clarity are imperative to our agent relationships."

The Sales department also appointed 24 new metro agencies, which reflected the industry's shift from rural to urban markets and Grinnell Mutual's commitment to growth and staying abreast of market changes.

Reinsurance

To expand its market reach, Grinnell Re launched a new team in 2016: National Reinsurance. Rick Tjarks, assistant vice president, and Randy Dammeyer, senior account executive, are blazing this new trail for the company.

They will focus on developing growth opportunities in new territories, the broker market, and the broader property-casualty insurer space. Reinsurance Vice President Kevin Farrell noted that some National Reinsurance clients will require coverages Grinnell Re hasn't traditionally offered, and that potential clients exist in states outside of Grinnell Mutual's current footprint.

"The customer profile we target in the National Reinsurance space may be somewhat larger, but can also look very similar to smaller mutual clients in many ways," said Farrell.

Of course, Grinnell Mutual and Grinnell Re will continue to take advantage of growth opportunities in their traditional mutual marketplace.

"Grinnell Mutual has made a conscious effort to focus on growth, which is the key to any successful organization. That often means expansion into unfamiliar territory," said Tjarks. "We'll bring the same values and focus on trusted relationships that have served us for over a century — doing business face-to-face and offering unsurpassed customer service."

Claims

In 2016, the Claims division restructured. Grouped by function rather than region, three teams — Personal Lines, Commercial Lines, and Operations — make up the division.

"This allows for a specialized claims response that meets the needs of our customers while also providing enhanced support service," said Ken Klug, vice president of Claims. That service got a workout in 2016 — Grinnell Mutual's Claims division handled 44,195 corporate claims.

Klug said the changes were based on the division's newly defined vision, mission, and purpose statements. "We began by establishing a clear vision of what we will be known for, a mission that defines how we realize our vision, and a clear purpose that unifies our thoughts and actions. There's no question that serving all our customers in their time of need is that purpose." As the year progressed, the Claims department's focus on its trusted relationships produced an in-depth customer satisfaction survey.

"When insureds submit their claims online, it allows us to pull significant and much needed information from the first notice of loss," said Dee McDonald, claims director. "By getting an email address and telephone number, we're hitting more touch points and reaching our customers much more effectively."

Grinnell Mutual Membership: 2016 at a glance

With nine new mutuals on the books (and four mergers), Grinnell Re ended 2016 with 251 mutual members. Grinnell Mutual remains the predominant market share leader, reinsuring 53.1 percent of the companies in our market. Grinnell Mutual members protect \$135.5 billion of property, a 4 percent increase from the prior year.

- Grinnell Mutual Member net combined ratio: 86.35 percent
- Grinnell Mutual Member average surplus gain: \$185,000
- Grinnell Mutual Member surplus: \$901.5 million
- Grinnell Mutual Member average written premium growth: \$97,200
- Grinnell Mutual Member written premium growth: \$24.5 million (4.7 percent)



KEEPING PROMISES

The Claims division's commitment to serve customers in the time of their greatest need was put to the test on March 3, 2016, when the First United Methodist Church of Sedalia (Mo.) burned to the ground.

You could see it from several miles away — clouds of white smoke billowing out of the rooftop of a safe haven in the middle of town. Flames licking out of the upstairs windows and flashes of hot orange piercing an otherwise inky March evening.

Pastor Jim Downing learned of the fire while heading back home after a trip to Israel.

"My first question was 'Was anyone hurt or killed?' and the answer was no," said Downing, still emotional months later. "I had another flight and a layover to think about what to do next."

Downing found himself at a candlelight vigil later that evening, shoulder to shoulder with the people he'd counseled, loved, and prayed with — and for — over the 19 years he had been a pastor at "First Church." He cried with them, embraced them, and watched his community rally like he'd never seen.

As Sedalia Deputy Fire Chief Greg Harrell and his department fought the furious blaze, he felt the loss keenly. Harrell has been a member of First Church for over 20 years, and some of his wife's family members pioneered the sanctuary when it was first built in 1888.

"I have photos of my family — my wedding pictures and events with my children — from inside the building," said Harrell. "The hardest part for me wasn't actually the fire. It was seeing all of the other church members at sunup, surveying the damage. It was hard to face the aftermath."

And that, of course, is what's left: the aftermath. Who takes care of what comes next?

Luckily, the loss of the beloved structure was covered under Grinnell Mutual's House of Worship program, which provides ministries with property and liability coverages. When Preuit Insurance agent Sonny Broyles heard of the disaster, he wasted no time in alerting Grinnell Mutual to the catastrophic loss, and within hours, claims specialists were on the scene. The House of Worship program and timely claims handling turned the day's devastation into hope.

"I didn't feel like my faith was shaken; I felt like it was enhanced," said Broyles. "I felt like God was with us all the way. Grinnell came through for us. I felt like God was in the details there, too."



PROTECTING TOMORROW

Crop Hail

On the list of obstacles that farmers have to overcome for a profitable year, bad weather leads the pack. Grinnell Mutual's crop hail insurance provides its policyholders with a bulwark against Mother Nature's whims.

In 2016, nearly 130 agencies placed a million dollars or more of crop hail risk with Grinnell Mutual to protect their friends' and neighbors' livelihoods.

Above and beyond our standard coverage, we offer a Working Together endorsement, which came in handy for John Deahl of Unionville, Iowa, after triple bypass surgery in February of 2016. Since Deahl was activity restricted, the endorsement covered \$1,000 of the expenses he incurred to have springtime farm help.

For Donald Kleinlein, a farmer near Strawberry Point, Iowa, it was a bad back that kept him out of the field in the spring of 2016. Again, the Working Together endorsement — and Kleinlein's great neighbors and local agency support, Backbone Insurance — were there to soften the blow of his setback.

"I'm very happy that I have neighbors looking out for me," Kleinlein said. "Just like I'm very happy Backbone Insurance and Grinnell Mutual are looking out for me. I thank them!"



Special Investigations

Special Investigations was busy burning things for a good cause in 2016. The department held a series of burn cell demonstrations, which combine lectures and classroom sessions to teach attendees about investigation trends, the impact of residential and shop sprinkler systems, and the danger of HDPE paneling. Special Investigations also worked with Training and Development to make burn cell demonstrations available for continuing education credit in all our writing states except New York, which our business partners much appreciated.

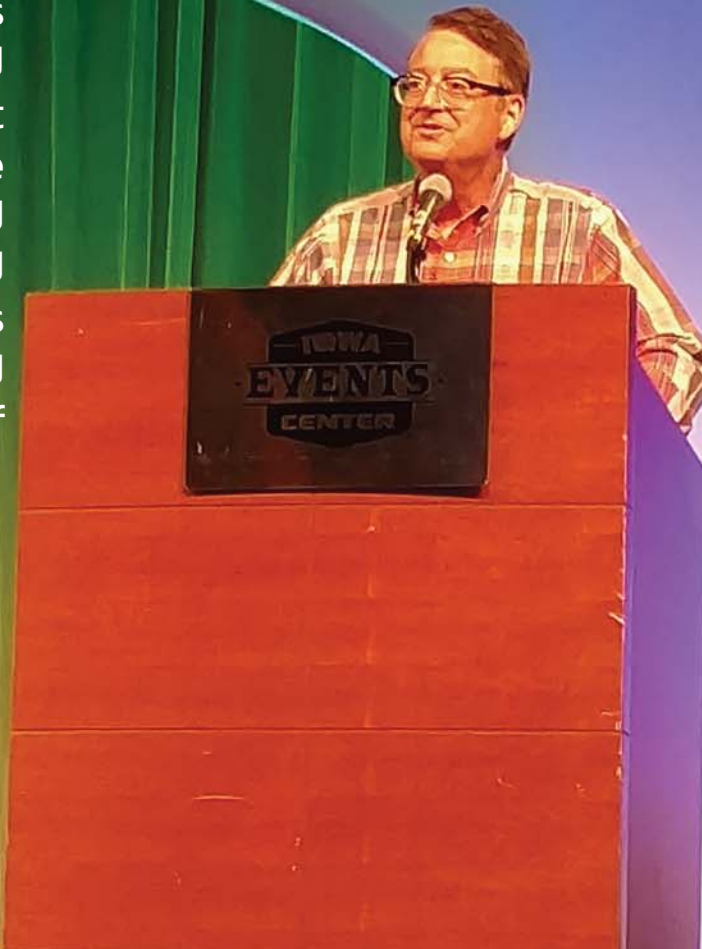
And even lawyers got in on the burn-cell action. In June, Grinnell Mutual hosted over 70 members of its outside counsel team (attorneys from all over the writing territory) to see a burn cell first-hand. The meeting was a first for Grinnell Mutual and offered a valuable opportunity for the attorneys who work with our investigators on fire cases, since the investigators are often called to testify as expert witnesses.

As part of ongoing research into mitigating losses from fraudulent claims, and understanding evolving technologies (both the bad guys' and the good guys'), a team of investigators led a study of identifying ways to detect ethanol gel use during fires to help expose criminal acts.

A robust Special Investigations reward program also helped Grinnell Mutual and law enforcement apprehend arsonists or other fraudsters. Last year the program resulted in \$4,000 of reward money paid to sources who provided credible information related to our losses. The department had a busy year, investigating 690 incidents spread over 12 states.

"Some of the biggest returns were somewhat unexpected — the personal engagement of our employee mentors; the publicity we have received from the GIA investment; and recognition in the industry as an insurtech innovator," said Kurt Eaves, vice president of Underwriting and Production.

GIA



MOVING AT THE SPEED OF TECHNOLOGY

In July of 2014, Grinnell Mutual committed its support to a first-of-its-kind insurance technology ("insurtech") business accelerator, the Global Insurance Accelerator (GIA). We were one of seven founding investors that pledged \$100,000 a year for three years. By May of 2016, 12 cutting-edge insurtech startups had been through the GIA's 100-day program, many of them mentored by Grinnell Mutual employees. Grinnell Mutual's investment is paying off. Our commitment to lead the industry has grown beyond supporting the accelerator itself to include investment in two of the startups.

"Some of the biggest returns were somewhat unexpected — the personal engagement of our employee mentors, the publicity we have received from the GIA investment, and recognition in the industry as an insurtech innovator," said Kurt Eaves, vice president of Underwriting and Production.

One of the companies Grinnell Mutual backed is Drive Spotter, a company that offers video telemetry to mitigate commercial trucking risks and is working on market opportunities in visual mapping applications. Drive Spotter was selected to participate in the Detroit

TechStars Mobility Accelerator, which helped the company close on its first few sales. They continue to not only look for opportunities, but to work on application enhancements, including driver incident self-reporting.

Grinnell Mutual has also invested in Serious Social Media Inc., and its flagship product, InsuranceSocial.Media (ISM). The product offers agents and mutuals affordable, effective social media software that includes content and channel management at various levels of service.

We piloted ISM with over 75 mutuals and agents to test its potential. After the three-month trial ended, roughly 75 percent of agents and mutuals opted to continue the service. Because of the interest, Grinnell Mutual now offers co-op for ISM's services.

"As a strategic investor in the insurtech space, Grinnell Mutual looked for opportunities to leverage new technologies for the benefit of our agency customers, mutuals, and policyholders," said Eaves. "On a longer-term basis, we are also positioning ourselves for these investments to pay off from a financial perspective as well."

In the community for a better tomorrow



Grinnell Mutual and the Grinnell Mutual Group Foundation donated more than \$400,000 in 2016, extending a compassionate hand to the people who live and work in the communities we call home.



Grinnell Mutual's longstanding partnership with Grinnell Middle School through Partners in Education once again offered the students some great experiences. In 2016, students visited for Bring Your Child to Work Day to spend time with employees and learn about the company's daily operations. Our employees also visited students on their home turf, mentoring and offering classroom and activities assistance. Other partnership activities include a highway cleanup, a fifth-grade picnic, a parade float, and a special holiday music performance at Grinnell Mutual.

Employees also spearheaded charitable initiatives, such as a United Way campaign and specially designated fundraising days, which raised more than \$60,000 for causes and community initiatives.

"Our company is engaged in the communities we serve through financial, in-kind, and volunteer support," said Barb Baker, director of Advertising and Community Relations. "We know that our donations help sustain the efforts of the organizations we assist."



“Had we worked anywhere else, we may not have reached our goal,” said Adam Moore, quality management professional, “because we work with the kindest and most generous people.”



Another big success was our first-ever “penny war,” waged on behalf of Special Olympics Iowa. It raised over \$5,300 and smashed the set goal of \$2,500. (A chance to see senior leaders — in wigs! — “sing” at a town hall may have spurred donations.) A team of 65 employees also volunteered for the Summer Games.





Corporate Officers

Clockwise from top

Larry Jansen, CPCU President and Chief Executive Officer

Jeff Menary, MBL, CPCU Executive Vice President, Line Operations

Dave Wingert, CPCU, CPA Executive Vice President, Support Operations

Verne Cadwell Vice President, Crop Insurance

Kurt Eaves, CPCU, ARM Vice President, Direct Underwriting and Production

Kevin Farrell Vice President, Reinsurance

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Hutch Kracht, CPCU, AIAF Controller

Ken Klug, AIC Vice President, Direct Claims

Pete Lahn Senior Vice President, Legal, Secretary, General Counsel

Jonathan Manatt, CPA, MBA Vice President, Internal Audit and Strategic Initiatives

Roby Shay Vice President and Chief Information Officer, Enterprise Solutions

Jeff Vogts, SPHR, SHRM-SCP Vice President, Talent Development

Kim Pickett, AAM, CPS Executive Secretary to the President

2016

BOARD OF DIRECTORS



STANDING, FROM LEFT

Dave Wingert, Grinnell Mutual Executive Vice President, Support Operations
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Steven L. Underwood, United Mutual Insurance Company, Washington, Mo.
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Dale R. Bartelt, Chair, DMC Mutual Insurance Association, Mediapolis, Iowa
Larry Jansen, President and Grinnell Mutual Chief Executive Officer
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Wayne L. Roush, West Side Mutual Insurance Association, Palo, Iowa
Stephen J. Smith, Second Vice Chair, Western Cherokee Mutual Insurance Association, Marcus, Iowa
William J. Lampe, Heritage Mutual Insurance Association, Preston, Iowa
James D. Buch, Benton Mutual Insurance Association, Keystone, Iowa
Jeff Menary, Grinnell Mutual Executive Vice President, Line Operations

SEATED, FROM LEFT

Wilbur J. Maas, Farmers Mutual Insurance Association, Hull, Iowa
Kim Pickett, Executive Secretary to the President
Susan K. Taggert, Mutual of Indiana Insurance Company, Remington, Ind.
Pete Lahn, Senior Vice President, Legal, Secretary, General Counsel

