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TUCKED IN THESE PAGES YOU'LL FIND A PRE-PAID POSTCARD OFFERING YOU AN OPPORTUNITY TO SHARE YOUR THOUGHTS ON YOUR TRUSTED RELATIONSHIP WITH GRINNELL MUTUAL. FILL IT OUT AND RETURN IT TO US FOR A CHANCE TO WIN A GRINNELL MUTUAL HERITAGE RIB KNIT JACKET (A \$50+ VALUE!). INCLUDE AN EMAIL ADDRESS OR PHONE NUMBER. POSTCARDS MUST BE POSTMARKED BY JULY 20 TO BE ELIGIBLE FOR THE DRAWING.



## VALUE RELATIONSHIPS



# LIFE LESSONS THE HARD WAY

IN SEPTEMBER OF 2017, GRINNELL MUTUAL PRESIDENT-ELECT JEFF MENARY WAS HOSPITALIZED FOR WEST NILE VIRUS. FOR THE NEXT SEVEN MONTHS, HE WOULD FIGHT FOR HIS LIFE AND UNDERGO EXTENSIVE REHABILITATION. HE RETURNED TO WORK ON MARCH 12, 2018.

## WHAT MATTERS

My personal journey on the road to recovery is ongoing. Still, there's nothing like a life-changing event to crystallize what's truly important:

- Appreciate what you have, not what you've lost.
- There's always a way. Be a problem-solver.
- It's OK to depend on others. You can't do it all alone.
- Always seek out the best for help.
- Adversity brings out your true character.
- Think about the legacy you will leave.
- If you're not helping others, what is your purpose?
- There is nothing more important than family and friends.

have been asked many times by my Grinnell Mutual colleagues and my family and friends what I have learned during the last eight months dealing with the West Nile virus.

Two things immediately come to mind. First, it's essential for people to have a strong core philosophy about what's important in life.

Second, those core beliefs are just as essential for an organization in order to pursue its mission.

After being admitted to the world-renowned Craig Rehabilitation Hospital in Englewood, Colorado, I immediately realized that this hospital was special. I knew that Craig has been ranked as one of the top rehabilitation hospitals in the United States by U.S. News & World Report for 27 consecutive years. Still, I was amazed at how every single person — from the doctors to the custodians — was so positive, focused, and helpful.

Because I am very interested in business cultures, and because I saw some striking similarities to the Grinnell Mutual culture, I wanted to learn how and why Craig's culture was so remarkable.

I began this research while on a ventilator. I couldn't speak so I wrote my questions on a white board.

"How long have you worked at Craig?"

"How did you come to work here?"

"Craig seems to have a unique culture. Tell me about the culture and why it is so special."

I knew that I was on to something very interesting during my first few conversations with the staff. Not only were they willing to share their answers, they went into deep detail about their professional journeys and shared with me why they chose to work at Craig and what made it such a special place.

Virtually everyone said that it was the best place they had ever worked and that they intended to remain at Craig until retirement.

The biggest revelation for me was how similar Craig's culture is to Grinnell Mutual's. Each one of those things that Craig staff cited as reasons they love working at Craig has an equivalent at Grinnell Mutual.

In fact, our core values and our strategic goals line up, almost point by point, with all the things that make Craig world-class — from a focus on serving our customers and valuing our employees' input, to a culture of trust and fun.

I was very fortunate to be able to do my rehabilitation at one of the best facilities in the world. And I am even more fortunate to have the opportunity to work for and with my friends and colleagues at Grinnell Mutual.

## WHAT MAKES CRAIG'S CULTURE SO GREAT?

- Craig's mission is to offer the very best care available.
- Staff and patients are provided with the best rehab equipment currently available.
- The entire organization is forward thinking and innovative. Examples include anti-gravity treadmills, elliptical machines, and exercise bikes that use functional electronic simulation (FES) technology, and even repurposing 30-year-old respiratory equipment for a new treatment method to wean patients off a ventilator. (I used this equipment and it made a difference in my lung recovery.)
  - All staff members are expected to acquire and maintain expertise in their specific field. If they need assistance, Craig provides the resources and time for education and training.
  - The staff learns from each other and are expected to (and do) share information and knowledge.
  - Teamwork is one of Craig's core values and is based upon mutual respect and trust. Everyone's opinion is valued regardless of their position.
  - Senior management is transparent and communicative.
  - Because average stays at Craig are 3-4 months, staff is able to see and celebrate patients' progress.
  - Staff develops relationships with both patients and their family members. They get great satisfaction from helping all of them deal with patients' disabilities.
  - There is a family feel among the staff and fun atmosphere, including hospital-wide events and fun, informal activities held by individual units or teams.
  - Craig provides opportunities for professional growth. Many of their nurses began their professional journey as techs, and many of the new hires in the physical therapy area interned at Craig.

# WELCOME BACK, JEFF

So glad to see you back at Grinnell Mutual. Life hands us things that we can't always control but you have returned with a great leader attitude. Many blessings for each and every day.

— **Jayne Ferguson,**  
*Senior claims adjuster*

I want to thank Dave Wingert for his leadership during my absence. In fact, I need to thank him for the leadership he has provided to Grinnell Mutual from his first day. I also need to thank him for all of the extra things he did to help my family, especially Renee, when I was so ill I couldn't handle little things like updating my annual benefits. He is not only a great guy but a true friend.

— **Jeff Menary,** *President and CEO*

Your journey through adversity is truly inspiring. Glad to you have back at Grinnell Mutual!

— **Janet Rhinehart,**  
*Senior statistical analyst,  
Actuarial Services*

Welcome back! We are so happy to have you back at Grinnell Mutual. We've all missed you, and were anxious for your return. We were worried about you during your absence. We are all thankful for your amazing recovery. We would also like to thank Dave Wingert for his leadership during Jeff's absence. Thanks to him, Jeff had one less thing to worry about.

— **Scott Banzhaf,**  
*Senior claims adjuster*  
**and Cheryl Banzhaf,**  
*Administrative assistant*

It sure is great having Jeff back in the building! I missed not only his positive attitude and smile in the hallway but our conversations. There isn't a subject you can't talk to him about — personal or professional. And Dave Wingert's leadership was awesome in Jeff's absence, keeping the employees updated.

— **Deb Alexander,**  
*Underwriter, Reinsurance*

We are thrilled to have Jeff back at the helm of Grinnell Mutual! He's had some tremendous challenges, but his Grinnell Mutual family has been — and will continue to be — there for him.

— **Dave Wingert,**  
*Executive Vice President,  
COO*

It's been absolutely fantastic to see Jeff's smiling face around the building again. Jeff is a truly nice person and it's a pleasure to work with him.

— **Brenda Lowry,**  
*Senior business analyst*

Welcome back, Jeff!  
You have beaten many odds to be here with us today. What a great example for us all!  
Thanks for taking the time to inspire us via your company-wide letters of encouragement.

— **Karen Bethea,**  
*Actuary,  
Actuarial Services*

Jeff was sorely missed as a leader. But Dave Wingert kept the ship headed in the right direction. I think it speaks volumes about the type of leaders we have at Grinnell Mutual. People care about each other here. I'm very glad Jeff's back, but very much appreciate Dave's stewardship. They are both amazing men and leaders!

— **Ron Nott,**  
*Assistant vice president, Claims*

From the outside looking in, I think the most admirable and uplifting thing we can all take away from Jeff's return to Grinnell Mutual is his positive, can-do, never-quit attitude. However, Jeff never played the negativity card. His positive spirit and energy throughout his recovery is something I'll always remember about him.

— **Josh Marshall,**  
*Regional sales manager, Nebraska*



## VISION

An empowered team driving innovative reinsurance and insurance solutions

# CORE VALUES

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

# 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

# A LASTING IMPRESSION

By Tara Illg | Field claims adjuster

**A**s a Field claims adjuster, I often visit with our customers in their homes or places of business. Usually, the customer is injured in some way or may have lost a loved one due to a recent accident.

Grinnell Mutual gives its field adjusters the ability to provide empathetic, compassionate, and personal service to these customers in their times of greatest need. Each time I receive a new claim, I am given the opportunity to leave a lasting impression on the people I am charged with helping — and I find that they, too, leave a lasting impression on me.

## Trusted relationships invaluable in claims process

One of the most memorable claims I have ever been assigned occurred in rural northern Iowa. The accident involved four separate vehicles, two of which were motorcycles. One driver failed to notice a stop sign and struck another vehicle at highway speeds, pushing that vehicle into two motorcycles that were stopped at the intersection. I met with the riders in their home. The motorcyclists had made a claim, and it was our insured who failed to obey the stop sign, causing the accident.

A claim like this can sometimes be difficult to investigate. In this case, however, the claimants had open minds and allowed me into their home to complete my interviews, investigation, and to discuss the claims process. Both claimants were injured and their motorcycles were total losses. I spent nearly three hours with them. Over homemade brownies at their kitchen table we discussed the valuation process on the motorcycles as well as for their injury claims.

When I left, they both embraced me. They had just shared a horrifying experience with me and I had taken the time to listen and respond to their concerns.

## Claims, settlements, and cookies

This was not the last time I would come into contact with this couple — I still needed to settle their injury claims.

A few months passed and their injuries improved to the point they were ready to talk about settlement. I took some time and fully evaluated their injury claims and discussed the valuation of their claims with my supervisor.

I then met with the claimants again, in their home, to discuss the valuation. We took the time to review

their claims and to discuss my valuation — again over wonderful baked goods. After some negotiation, we arrived at an agreement. They signed release documents and we issued payment.

## What I do makes a difference

I will never forget this couple. They needed someone to listen, someone to help, and ultimately someone who cared and wanted to help them through a very difficult time. Dealing with such a large claim, I needed them to be willing to work with me to complete my investigation and settlements. I received so much more than that. This couple left me with a lasting impression.

That impression is this: *What I do every day does make a difference.* The way I handle myself and the way we conduct business as a company make a difference to the people we come into contact with every day. Not a day goes by that I don't think of this couple and the kindness they showed me just because I was willing to listen and handle their claim with the care it deserved.





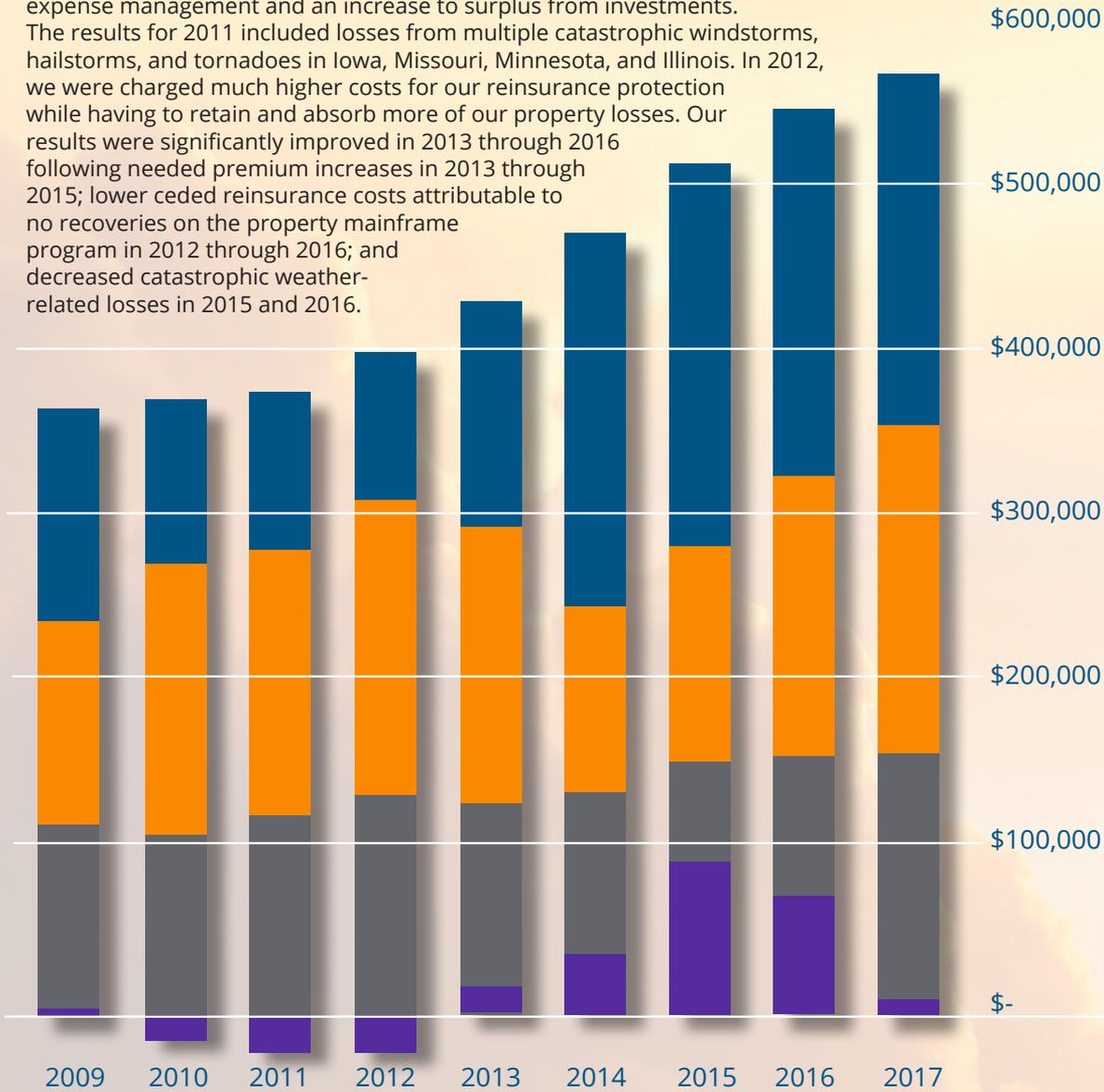
SERVE AND PROTECT  
OUR CUSTOMERS



# FINANCIAL OVERVIEW

Grinnell Mutual Reinsurance Company and subsidiaries (“Grinnell Mutual”) had a more challenging year in 2017 following the historic underwriting and surplus growth of 2016 and 2015. The results are due to increased storm activity in 2017 compared to the unusually mild storm activity of the prior two years. Despite the increased storm activity, the company finished with a combined ratio of 100 percent due to good expense management and an increase to surplus from investments.

The results for 2011 included losses from multiple catastrophic windstorms, hailstorms, and tornadoes in Iowa, Missouri, Minnesota, and Illinois. 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.



**Premium, losses, underwriting results**  
(\$s in thousands) Grinnell Mutual Reinsurance Company

**KEY:**

-   
 EARNED PREMIUM
-   
 LOSSES & LAE
-   
 OTHER EXPENSES
-   
 UNDERWRITING GAIN (LOSS)

## Ending surplus (\$s in thousands) Grinnell Mutual Reinsurance Company



## 2017 RESULTS

Premiums earned increased 6 percent in 2017 primarily from more direct personal automobile, property, and liability business and increased direct commercial lines of business. Premiums ceded to reinsurers reduced earned premiums by \$57.2 million in 2017 compared to \$55 million in 2016. The loss and loss adjustment expense ratio increased to 73 percent in 2017 from 59 percent in 2016. The increase in the ratio was primarily due to higher weather-related loss frequency in 2017 compared to unusually low severe weather losses in 2016.

Both years were favorably impacted by strong underwriting practices and growth in earned premiums. There were no recoveries under our ceded property mainframe program during the period 2012 through 2017, which has stabilized costs associated with that coverage. Underwriting and general insurance expenses as a percentage of net premiums earned decreased 1 percent, as controllable expenses are being carefully managed. The underwriting results were a loss of \$0.7 million compared to a gain of \$70.2 million in 2016. The combined ratio increased to 100 percent in 2017 from the historic low of 87 percent in 2016.

Total net investment gain was \$38.9 million in 2017 compared to \$28.3 million in 2016. Net investment income was up \$6.1 million from increased investment holdings in the portfolio and an increase in capital gain distributions from mutual fund equity holdings. Realized after-tax gains (losses), which

amounted to \$3.0 million in 2017 and \$(1.3) million in 2016, were primarily from equity investment diversification and reallocations.

The overall increase in surplus of \$23.8 million in 2017 was primarily from net income of \$34.6 million from operations; after-tax unrealized investment gains of \$10.3 million from increased equity markets; and a decrease in the additional liability for pension benefits of \$0.9 million. Reductions to surplus included lower deferred income taxes of \$7.8 million. This was mostly due to revaluation of net deferred tax assets with the corporate tax law change effective for 2018, and an increase in non-admitted assets of \$14.2 million primarily due to software development costs and prepaid pension assets. The surplus growth of 4 percent combined with the premium growth of 6 percent, resulted in an increase to the capacity ratio to 97 percent in 2017 from 94 percent in 2016. As of Dec. 31, 2017, surplus totaled \$614 million and total assets were \$1.2 billion.

Grinnell Mutual has experienced a long-term period of solid performance. 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.

# FINANCIAL

## GRINNELL MUTUAL REINSURANCE CO. | STATUTORY BALANCE SHEET

(\$s in thousands)

<b>Assets</b>	<b>2017</b>	<b>2016</b>
Bonds	\$840,767	\$790,875
Stocks	124,941	105,181
Subsidiaries	24,966	29,627
Other investments	366	-
Real estate occupied	16,628	16,159
Cash and short-term investments	28,188	21,619
<b>Total investments</b>	<b>\$1,035,856</b>	<b>\$963,461</b>
Accrued investment income	9,005	8,928
Premiums and agents' balances receivable	99,887	92,888
Reinsurance balances	2,622	2,530
Current income taxes receivable	12,678	6,562
Deferred income taxes	11,628	22,417
Data processing equipment	3,204	5,358
Other	4,785	2,200
<b>Total assets</b>	<b>\$1,179,665</b>	<b>\$1,104,344</b>

<b>Liabilities</b>	<b>2017</b>	<b>2016</b>
Unpaid losses and loss adjustment expenses	\$300,571	\$264,811
Unearned premiums	194,927	180,271
Accrued expenses and accounts payable	50,637	48,582
Current income taxes payable	-	-
Reinsurance balances	3,493	3,189
Drafts outstanding	136	149
Additional liability for pension plan	16,248	17,439
<b>Total liabilities</b>	<b>\$566,012</b>	<b>\$514,441</b>
Surplus	613,653	589,903
<b>Total liabilities and surplus</b>	<b>\$1,179,665</b>	<b>\$1,104,344</b>

# OVERVIEW

## COMBINED STATUTORY STATEMENTS OF OPERATIONS AND SURPLUS

(\$s in thousands)

<b>Underwriting</b>	<b>2017</b>	<b>2016</b>
Premium earned	\$581,129	\$548,634
Losses incurred	(370,161)	(274,817)
Loss adjustment expenses incurred	(55,310)	(50,506)
Underwriting and general expenses incurred	(156,335)	(153,090)
<b>Underwriting gain</b>	<b>\$(677)</b>	<b>\$70,221</b>

### Investment

Net investment income	35,805	29,692
Net realized gain (loss)	3,048	(1,364)
<b>Total investment gain</b>	<b>\$38,853</b>	<b>\$28,328</b>
Other	(496)	(75)
<b>Income before tax</b>	<b>\$37,680</b>	<b>\$98,474</b>
Federal income tax expense (benefit)	3,117	29,329
<b>Net income</b>	<b>\$34,563</b>	<b>\$69,145</b>

### Other surplus changes

Net unrealized investment gain (loss)	10,282	6,241
Change in non-admitted assets	(7,787)	1,538
Change in deferred income tax	(14,248)	(2,857)
Change in liability for pension plan	940	(1,117)
<b>Total surplus changes</b>	<b>\$23,750</b>	<b>\$72,950</b>
Surplus at beginning of year	589,903	516,953
<b>Surplus at end of year</b>	<b>\$613,653</b>	<b>\$589,903</b>

<b>Ratios (to earned premium)</b>	<b>2017</b>	<b>2016</b>
Loss	63.7	50.1
Loss adjustment expense	9.5	9.2
Expense	26.9	27.9
<b>Combined</b>	<b>100.1</b>	<b>87.2</b>

# DIVISION REPORTS

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## REINSURANCE

Providing reinsurance solutions for member mutuals is not just what we do; it's also Grinnell Re's mission. And we continue to see profitable growth opportunities in reinsuring mutual companies.

Since 2015, we have grown our market share in our operating territory and grown premium over 10 percent while keeping our combined ratio under 81 percent.

Our experience in 2017 demonstrated the strength of our modeled pricing approach. Volatile weather led to nine CAT events, a real-world test of the pricing adequacy of our mainframe property book. Though the division had a \$10 million underwriting loss (largely from direct wind and liability lines), even with the volatile weather year, we posted an \$8.5 million profit in that mainframe property book.

In 2017, our Reinsurance Adjusting Program added a new Property Per Risk (PPR) program, which adjusts claims over \$50,000 for mutual

members free of charge. The service gives our member mutuals a professional and economical claims handling option for large losses. In PPR's first year, Grinnell Re handled 343 claims totaling over \$38 million in losses paid.

We built our presence in a new marketplace with the National Re program launched in 2017. National Re added three new accounts worth \$1.3 million in new premium for 2017, and expanded our reinsurance writing territory to 19 states total. We are writing in Michigan and are approved to write in Tennessee, Kentucky, and North Carolina.

Grinnell Re — both the traditional farm mutual and National Re marketing teams — had another great year in 2017, signing more than \$5 million in new reinsurance premium that will book in 2018. We continue to see growth opportunities in the farm mutual and national spaces, and plan to continue pursuing of new business.



# CLAIMS

When our customers needed us to fulfill our promise to help them in their time of need, we delivered. In 2017, the Claims team handled a record-breaking 50,788 claims and nine CAT events — more CATs than the prior three years combined. But no matter how hectic the work gets, we rely on our employees to fulfill the promise implicit in each Grinnell Mutual policy.

One way we find out whether we delivered on that promise is by surveying customers after settling their claims. In 2017, even with the unprecedented workload, more than nine out of 10 respondents would recommend Grinnell Mutual to a friend, family member, or co-worker. And 96 percent agreed that

their claims representative was courteous and professional.

Despite the stresses inherent in working through a record number of claims and CATs, 2017 brought our team even closer together, and we are fully engaged in offering great service to our customers.

We will also continue to value our relationships with our partners by committing to keep pace with the changing insurance landscape and improving our business tools. Over the next few years, we are standing up new billing, policy, and claims platforms that will help us better serve and protect our customers by offering more modern capabilities.

# DIVISION REPORTS



**Personal underwriting**

## UNDERWRITING, SALES, AND SERVICE

We continued on a path of profitable growth toward our objective of becoming a top 100 property-casualty company. Since year-end 2012, direct written premium has grown an incredible 42 percent to \$425 million — significantly outpacing the industry average.

The task of managing profitable growth can be very tricky for an insurance company. Growth at this rate can be concerning because loss results often lag behind premiums. Periods of large

growth can often undermine — even erase — profitability. Yet over this period, our team has produced a cumulative combined ratio of under 94 percent.

In 2017, we incurred losses from storm activity (mostly hailstorms and wind events) over \$37 million — more than the previous two years combined. Yet, we still had an overall net underwriting profit of \$8.4 million and grew direct written premium for all lines by over 9.5 percent



### Customer service representatives

— largely due to our private passenger auto book of business and the Discovery Discount.

Private passenger auto rates are increasing across the industry and many of our competitors have taken rate increases for years. In addition to costly weather events, new auto technologies (resulting in higher repair costs), higher medical bills, and a rise in distracted driving all result in more expensive losses. We began a small series of rate increases starting with renewals in April 1, 2017, but remain competitive with our peer group.

Our commercial lines also had an exceptional year, producing an underwriting profit of over \$20 million, while growing written premium by 3.3 percent.

There were also some changes in 2017. You may have noticed that the Direct Underwriting/Production division has a new name — Underwriting, Sales, and Service. The new moniker better captures the diverse functions

of the division which comprises actuarial services, billing, customer service, agency licensing, agency contracting, sales, product development, underwriting, processing, statistical reporting, and Grinnell Specialty Agency, our in-house broker.

And as always, we're listening to our agents, who have told us they want ease of doing business. Through our strategic initiative to make that happen, we're launching the CONNECT program, which will offer agents that ease at nearly every touch point, from quoting through billing.

Despite all these changes, our partners will still enjoy the same trusted relationships they've always had. The underwriter relationship with our agents is very powerful. Every agent should feel that their underwriter is the "go to" person for any underwriting decision, and know that the underwriters will use all the tools at their disposal to help our agents write good business.

# A FUTURE WITH INSURTECH

**I**nsurtech — 21st-century speak for “insurance technology” — has gone mainstream in the last couple of years. It is omnipresent in the press, in industry publications and think tanks, and even in the boardroom.

And like it or not, insurtech has become a vibrant and important part of the industry landscape, driving change and innovation. It’s here to stay (and grow) and insurance companies that do not embrace it risk irrelevancy.

Any reluctance to see insurtech as an opportunity, as opposed to a threat, may be due to the media’s tendency to refer to it as “disruption.” But “disruption” mischaracterizes what’s happening.

In fact, many in the insurance industry, including Grinnell Mutual, are actively seeking out and supporting early stage startups that can add value for customers and reduce costs. And research shows that, far from trying to drive established insurers out of the market, startups are looking for insurance partners. Research from McKinsey & Company found that 61 percent of insurtech companies’ goal is to enable the value chain. Just 9 percent are aiming for full-scale disruption.

So, when the Global Insurance Accelerator

(GIA) was born in 2014, Grinnell Mutual was one of seven initial investors. Vice President of Underwriting, Sales, and Service Kurt Eaves helped lead that charge into what Grinnell Mutual believes is the insurance landscape of the future.

“As a leadership team, we weren’t 100 percent sure what we may get in return for our investment in an accelerator, but we knew we had to embrace the opportunity,” Eaves said. “We thought that we might benefit from exposure to entrepreneurs, new ideas, and even the new talent we could hire to help embed innovative thinking in our company.

“But what we’ve realized a couple of years into this venture is that we are receiving benefits we hadn’t even dreamed of.”

Besides exposure to new ideas and insurance entrepreneurs, Grinnell Mutual’s involvement in the GIA, and subsequently the Iowa AgriTech Accelerator, has offered a name-recognition boost and a new reputation as an innovator.

“Four years after our initial investment, Grinnell Mutual is a nationally — even globally — recognized leader in insurance innovation. We’re punching way above our weight on this stage,” said Eaves. “In fact, A.M Best had an



**Kurt Eaves**



## GRINNELL MUTUAL'S INSURTECH INVESTMENTS

article about insurance innovation that featured a picture of Dave Wingert and former CEO Larry Jansen captioned 'Leaders in Innovation.'

For each of the GIA's first three cohorts and the first cohort of the Iowa AgriTech Accelerator, Grinnell Mutual led the seed investment round for one of the graduate startups.

"We have always considered the investments in all these startups as purely strategic, seeking to use their technology to help us add value and reduce friction in the insurance buying and service cycles," Eaves said. He knows that investing in startups is not without risk, but believes that through mentorship and guidance, Grinnell Mutual can help steer these fledgling businesses to financial success.

"Clearly, we hope to realize an ultimate financial gain on these investments to supplement the strategic advantage we're already leveraging."

Watching the industry change at such a rapid pace can be unnerving — especially after decades of a comfortable status quo. In Eaves' mind though, there is little to fear and everything to gain.

"Our industry will look different — and it might operate differently in the future. But it is difficult to envision an economy operating without the backstop of insurance protection," he said.

"The industry has been executing on our noble profession for centuries, and that won't change. Insurtech will just make us better at it."

**DriveSpotter:** Offers video telemetry to mitigate commercial trucking risks.

**InsuranceSocial.Media:** Creates, curates, and automatically posts customized social media content for agents and mutuals.

**FindBob:** Helps manage succession planning, matching buyers and sellers.

# THE POWER OF A PERSONAL CONNECTION

Some policyholders never need to call on the promise of their insurance policies. No car accidents. No lawsuits. No house fires. But when they do need it, they really need it.

Tina Stokken, manager of Fergus Farm Mutual Insurance Company in Lewistown, Mont., still remembers getting the call — at home, on a Saturday night — from a policyholder in crisis after a house fire.

“When agents call in and have questions, they know they’re going to get somebody who’s got knowledge and expertise.”

— Tina Stokken

“I met them at the office Sunday morning with a \$20,000 advance. The family — parents and a small child — were still in their smoky clothes,” said Stokken.

“When something like this happens, there’s so much for a family to focus on. Get the money. Get the necessities. Get a place to stay.

That’s where we come in. They were the best, and it felt great to help them through a tough time.”

## Personal connections with agents

Stokken values personal connections — not just with her policyholders, but with her staff and her independent agents. It’s one way her company stands out in a crowded insurance marketplace.

“We have tremendous customer service,” said Stokken. “When agents call in and have questions, they know they’re going to get somebody who’s got knowledge and expertise.”

“Sometimes, agents have risks they struggle with,” said Stokken. “If there’s something we can do to help them out, we do it provided it’s within our



guidelines.”

Occasionally, making personal connections can mean repeating yourself. But that’s a price that Stokken is willing to pay for her customers.

“We’ll continue to answer the same question as many times as it takes. That’s why we’re here.”

## Personal connections with Grinnell Mutual

Since becoming a Grinnell Mutual member, Stokken has found a business partner who values personal connections as much as she does. Grinnell Mutual entered Montana as a reinsurer in 2015.

“It’s a totally different world,” said Stokken. “Before, we just paid our premiums. We didn’t have the education, the underwriting support, the claims support. We’re just scratching the surface and we are excited to be a part of something this great.”

Stokken expects that the partnership with Grinnell Mutual will allow Fergus Farm Mutual to better serve its customers.

“To have this partnership with Grinnell is something I’m really looking forward to,” said Stokken. “All these things will help us grow into new markets.”

# ACT WITH INTEGRITY



# WE PITCHED IN



Pints of blood collected in 2017:  
**262**  
Lives affected:  
**800**

Fairground Facelift:  
**\$7,000** in grants to **5** fairgrounds



The Informer



## DONATIONS IN 2017

**Corporate/Grinnell Mutual Group (GMG) Foundation total donations: \$530,000**

**Scholarships:**

Road to Success policyholder scholarships: **60** recipients, **\$60,000** awarded

**42** employee and partner scholarships, totaling **\$40,500**

**GMG Foundation donations:**

- New Sharon Fire and Rescue ambulance grant
- Grinnell Central Park grant
- Grinnell Newburg School District business program

**Employee donations:**

United Way: **\$47,658**  
Fundraisers: **\$14,445**

**Partners in Education events:**

Highway cleanup, fifth grade picnic, Christmas music, Live Healthy Iowa for teachers, Go the Distance Day, fifth grade movie viewing, Courage and Kindness retreats, company book sale



Special Olympics:  
**49** employee volunteers

# 2017

BY THE NUMBERS

## 247

Membership count  
(excludes national  
accounts)

States  
we serve

## 16

Special  
Investigations  
completed

## 724

investigations

Gross written  
premium  
increase over  
2016

## 6.9%

Total  
assets

## \$1.18 billion

Employees

## 827

## 20

Employees  
retired

Ranked

## 109<sup>th</sup>

largest  
property-casualty  
company by  
A.M. Best

Named a  
Ward's

## 50<sup>®</sup>

property-  
casualty  
company

Scholarships awarded by  
Grinnell Mutual and Grinnell  
Mutual Group Foundation totaled

**\$100,500**

**50,788** direct lines  
claims

Reinsurance  
claims **16,627**

Total calls serviced

**186,488**

Charitable donations and  
scholarships surpassed

**\$530,000**

**112**

Agencies  
added

**30**

of which  
are in  
Pennsylvania

An Iowa Top  
Workplace since

**2011**

'A'  
rated by A.M.  
Best, since

**1991**

Total  
surplus **\$613.7 million**

# GREENER PASTURES

It's not easy going green. That is, unless you have an ambitious group of high-school interns and the full support of Grinnell Mutual.

Changes those interns helped launch last year included the solar panels to the east of the building (you can't miss 'em), LED lighting to replace fluorescent bulbs, and paper cups to take the place of Styrofoam in the cafeteria. Additionally, automatic light switches were installed in the conference center.

Grinnell had been toying with the idea of installing the panels for a year or two, and the facilities team had received a few quotes, but the interns took the project and ran with it.

"It's surprising that Grinnell Mutual empowered a team of interns to champion such a huge project," said Jon Manatt, vice president of Internal Audit and Strategic Initiatives. "They researched everything and got all the information we needed to make it possible."

So, what prompted the changes? Was it an altruistic effort to do our part to save the planet, or was it motivated by the bottom line? Turns out, it was a little

bit of both.

According to Vice President of Finance Chris Hansen, the switch to LED lighting will save the company an estimated \$20,000 a year in energy costs. And the solar panels, which cost \$800,000, will replace 25 percent of the building's energy usage and are expected to save more than \$1 million above the cost over the course of 25 years.

Manatt said there are other benefits, too.

"On top of being a responsible corporate citizen and the financial savings, today's job-seekers have a greater respect for companies that give back to the community and the planet."

Hansen said that Grinnell Mutual took quotes from eight companies that install panels, but didn't go with the cheapest option. Communication and the sense of partnership formed more quickly with the company that was ultimately chosen, he said — much in keeping with Grinnell Mutual's philosophy of valuing trusted relationships.

Next up in the company's plans for going green: Water fountains that allow for filling water bottles.



## TRUST AND RESPECT OUR EMPLOYEES

“We are more than just a group of individuals working for an employer and working at a specific job. We are a team working for common goals.”

— Jeff Menary, President and CEO





# STARTING FROM SCRATCH

IT TAKES A VILLAGE TO FEED THE 600-ISH HUNGRY HOME OFFICE EMPLOYEES. DENISE THOMAZIN IS THE MAYOR OF THAT VILLAGE AND IT'S HER TEAM THAT'S RESPONSIBLE FOR PROVIDING THE FUEL THAT KEEPS THE GRINNELL MUTUAL ENGINE RUNNING.

It's before lunch behind the counter of Grinnell Mutual's home office kitchen. The kitchen staff, each dressed in a simple striped black buttoned shirt have something to do: washing carrots or grapes, cooking ground beef or slicing ham, emptying a load of dishes. There's the din of spoons hitting countertops and plates being stacked. Denise Thomazin, the food services supervisor, has her office door open, but she's not just sitting — she moves from one corner of the room to the kitchen, keeping up with her staff. It feels like home: people making food the real way. "We try to do everything from scratch," says Denise.

The conviction of sticking to scratch may pleasantly surprise some because of the quantity of food it takes to feed 600 home office Grinnell Mutual employees every day. The cafeteria serves breakfast, opens again for a mid-morning snack, and then serves lunch.

## At Grandmother's house

Since she was young, Denise has been cooking. "My mom worked afternoons a lot," she explains. "She would have me help her get dinner ready."

But her love for cooking matured at her grandmother's house. "She taught me how to can tomatoes. She taught me how to make jelly. I had a favorite cookie — chocolate crinkle — that she taught me how to make.

"And," she added, "she made everything from scratch."

After high school, Denise worked at several different restaurants, but had no plans to stay in the business.





“To be honest, I just didn’t see myself in food service.”

Denise began working as a Certified Nursing Assistant (CNA) at a nursing home until she got injured transferring a patient. That injury prevented her from performing her job duties as a CNA, so — ironically — she was moved to the nursing home’s kitchen, but decided it was time to move on.

### To Grinnell Mutual

In April of 2006, Denise started working in Grinnell Mutual’s kitchen. “I’d always heard it was a great company to work for. I had never had just a Monday through Friday job. That was a big plus, especially with having kids at home. In any other food service job, you were never really off.”

However, Denise was living 40 miles away from Grinnell and had young children. So, in 2012, she decided to accept a job just 7 miles away from home. “As a single parent,” she says, “it’s always tough balancing everything with kids and work.”

But even with the convenience of

working closer to home, Denise missed out on a lot of her kids’ events. “I was always told, ‘Someday you’re going to kick yourself for leaving.’”

She didn’t need to kick herself for long. In 2014, a Grinnell Mutual employee gave her a call to tell her there was an open position.

“I was just really glad that I got the chance to come back,” she says. Today, she is the food services supervisor.

### Finding her niche

After years of working in the food service industry, Denise can say this with confidence: “I don’t really know anything that I don’t like about food service.” One of her favorite parts of the job is creating the menus, exploring new and old recipes.

As it turns out, being a CNA and working in food service are not so different — both are a way of taking care of people.

She sums up her experience as the food service supervisor at Grinnell Mutual this way: “I like cooking, period. I like making people happy.”

## FEEDING GRINNELL MUTUAL

Catering events each month

25–30

Eggs per day

648

Biscuits and gravy per month

350 biscuits

12 gallons of gravy

Chicken tenders

40 pounds a week

Cookies

6 dozen each day

# GROWING TOGETHER



**P**artners help businesses grow and thrive. Grinnell Mutual's success and growth are due in part to the strong relationships it has with its independent agency force. For Lauren Obermann, a second-generation agent with Vittetoe Insurance, the feeling is mutual. "Grinnell Mutual helps us as an agency be competitive for our customers," said Lauren. "They're a regional company and that's a perfect fit for our business. They are the number one company we work with."

## **Consistent service**

Lauren grew up in her family's agency, meeting marketing reps and attending industry meetings. After college, she worked at another agency to get experience until her parents were ready for her to join the family's agency.

When they brought her on full-time in 2016, she knew that the agency would need to grow. Together, Lauren and her parents learned to communicate with each other to provide the same standard of service across the agency.

"We've made it so we all know what's going on so a customer can talk to any one of us," she said. That standard extends to Grinnell Mutual.

"Our agency is just like Grinnell Mutual — we are service oriented. We care about the customers. When a customer comes to me, if I have to turn it over to Grinnell Mutual, the customer will get the same results as they would working directly with us."

## **A carrier that's like family**

Lauren finds comfort in knowing that Grinnell Mutual will treat her agency's customers the way she would.

"That's why we continue to place business with Grinnell Mutual," she said. "Grinnell Mutual fits our family agency well. It's kind of like a family, too. We are familiar with people there. It's not so small that you know everybody, but it's also not so big that when you call you get someone different each time."

That consistency in service with a partner that feels like family helps Lauren feel confident about her company's future.

"Grinnell Mutual is doing a good job with what's happening in the industry. And we're growing. I think we're going to continue to be successful."

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