

The background of the cover features several diagonal stripes in various shades of blue, ranging from light to dark, creating a sense of movement and depth.

annual report 2020

Auto-Owners[®]
INSURANCE
simple human sense.

year in review

Auto-Owners Companies Earn AM Best Superior Ratings

Auto-Owners property & casualty companies are rated A++ (*Superior*) by AM Best Company, a nationally recognized independent insurance company rating organization. Auto-Owners Life Insurance Company is rated A+ (*Superior*) by AM Best. According to AM Best Company, “The ratings of AOIG reflect its balance sheet strength, which AM Best categorizes as strongest, as well as its very strong operating performance, favorable business profile and appropriate ERM (*enterprise risk management*). ... AOIG has exhibited generally improved operating performance in recent years.”

AM Best also praised the Life Company: “The ratings of AOIG reflect its balance sheet strength, which AM Best categorizes as strongest, as well as its very strong operating performance, favorable business profile and appropriate ERM (*enterprise risk management*).” In AM Best’s opinion, companies in the A++ and A+ classifications – their highest classifications – have a superior ability to meet ongoing obligations to policyholders. Auto-Owners Group has been rated A++ since 1992, and the Life Company has been rated A+ since 1976.

Atlantic Casualty Insurance Company

In addition, Atlantic Casualty Insurance Company, an excess and surplus lines insurance carrier acquired by Auto-Owners Insurance in 2016, had its financial strength rating of A (*Excellent*) affirmed, but with a positive outlook. According to AM Best, Atlantic Casualty has benefited from the support it has received from Auto-Owners, especially in the areas of actuarial services, product development, reinsurance and IT. “The ratings also reflect Atlantic Casualty’s improved operating performance in recent years,” AM Best said.

Concord Group

Meanwhile, the Concord Group, which Auto-Owners entered into an affiliation with in 2017, had its financial strength rating upgraded to A+ (*Superior*) from A (*Excellent*). “The rating actions reflect ... significant operating and financial benefits that Concord Group has realized as a result of its April 2017 affiliation with Auto-Owners,” AM Best said.

Capital Insurance Group

AM Best upgraded the financial strength rating for Capital Insurance Group to A (*Excellent*) from A- (*Excellent*). Auto-Owners acquired Capital Insurance Group in April 2019. “The rating actions reflect the substantial explicit and implicit support Capital has received from Auto-Owners since December 2018,” AM Best said. “The ratings reflect Capital’s balance sheet strength, which AM Best categorizes as very strong.”



A+
AM BEST

FORTUNE
500
COMPANY
★★★★★

OVER
100
YEARS

AWARD
WINNING
SERVICE
CLAIMS

Auto-Owners Life Insurance Company Adds Two New Payment Options

As part of an ongoing effort to provide the best service to its clients, Auto-Owners Life Insurance Company released two new payment options, Pay Now and Interactive Voice Response (IVR).

These payment options are available for all new and in-force life and disability income policies. Clients have the ability to make one-time electronic funds transfer (EFT) or credit card payments 24/7.

A link has been added to the Company's public website, which provides easy access to Pay Now. Visit auto-owners.com, select Pay Your Bill, then select Pay Now, then Life.

Several Construction Projects Ongoing, Completed

The Auto-Owners approach is to build deeper, more personal relationships with its agency partners through placing branches near them. We believe that providing our customers with more localized underwriting and claims teams helps our company to deliver on its mission to put lives back together.

To that end, Auto-Owners continued one construction project, completed three others and began another in 2020, with another slated for completion by the end of 2021:

- Construction of the 236,500-square-foot South Campus building continued, with completion projected for September 2021.
- Associates moved into a new 37,700-square-foot regional office in Lakeland (FL).
- A 9,364-square-foot addition for the Duluth (GA) underwriting office was completed.
- Construction progressed on a new 18,106-square-foot building for the Montgomery (AL) regional office, and it was completed in March 2021.
- A 30,000-square-foot addition to the Atlantic Casualty Insurance Company's office in Goldsboro (NC) was begun, with completion anticipated by year-end 2021.

Relocations

The Dayton (OH) and Fort Myers (FL) claims offices were both relocated.

Capital Insurance Group sold their Monterey (CA) home office to a developer and is looking for long-term lease space in Monterey.



progress on the south campus building

comments from the CEO

Without question, 2020 will long be remembered for the challenges faced by every organization and every individual. I am so proud of the Auto-Owners associates, and the agency personnel, for continuing to provide excellent service to the policyholders while navigating themselves, and their families, through the pandemic.

From a financial perspective, Auto-Owners enjoyed another year of profitable growth in 2020, achieving a record ninth consecutive year with an underwriting profit. The many fine independent agents that represent us favored us with more than \$1.1 billion in new business premium. Total premium grew more than \$300 million, or 3.9%. And that includes the premium refund made to auto policyholders during the second quarter, when vehicle usage was down considerably as we dealt with the various executive orders.



“I am so proud of the Auto-Owners associates, and the agency personnel, for continuing to provide excellent service to the policyholders while navigating themselves, and their families, through the pandemic.”

In-force policy count grew by more than 110,000, bringing our total number of policies in force to more than 5.35 million. Policyholder surplus increased to more than \$13.8 billion, thanks in part to a healthy year in the stock market. We have all the capacity we need to support premium and policy growth for years to come. Auto-Owners Life Insurance Company had another excellent year as well.

Auto-Owners continues to be recognized by AM Best for our strong performance and financial strength. Our A++ (*Superior*) rating was reaffirmed, making it 49 consecutive years we have received their highest available rating.

Atlantic Casualty Insurance Company enjoyed another outstanding year of profitable growth. Concord General Mutual, our affiliate operating in the four northern-most New England states, also had a very successful year. This was recognized by AM Best, which upgraded Concord's financial strength rating from A to A+. Capital Insurance Group, acquired in 2019, experienced vastly improved results in 2020. Capital was also recognized by AM Best, which upgraded their financial strength rating from A- to A.

It is a privilege for me to work with so many hard-working associates who show agents every day that personal relationships matter.



Jeff S. Tagsold, Chairman & CEO

A-O by the numbers

company reports

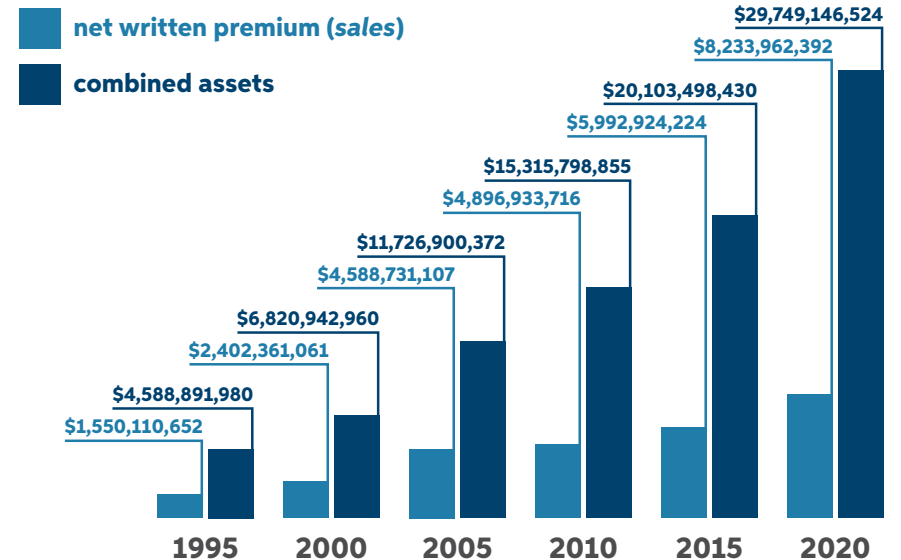
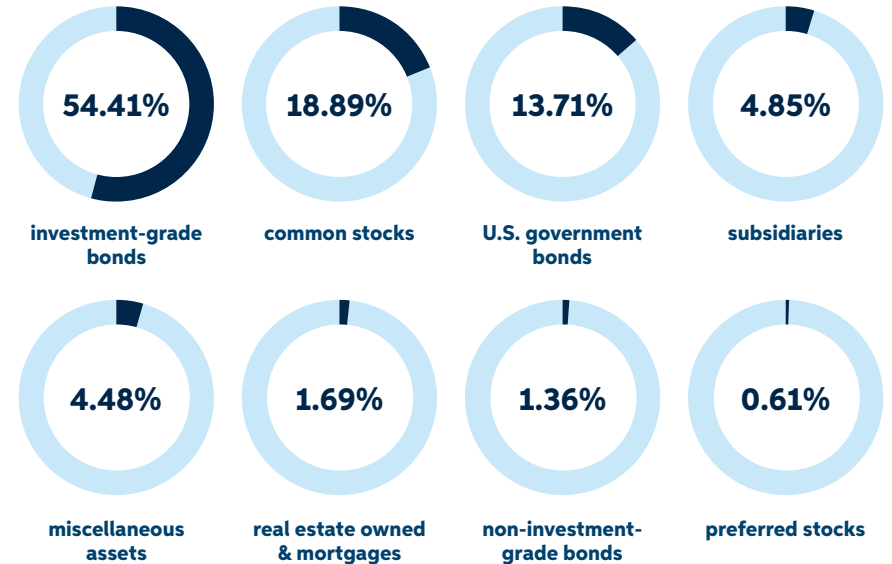
Auto-Owners Insurance Group continues to be recognized for exceptional financial strength and stability among the nation's largest insurers. Comprised of 16 property & casualty companies and one life/health/annuity insurer, the companies had combined assets of \$29,749,146,524 at year-end 2020. Net written premiums totaled \$8,233,962,392, down by \$595 million from the previous year. More than 6.2 million personal and commercial insurance policies were in force at year-end.

summary of invested assets

Auto-Owners remains committed to maintaining a high-quality investment portfolio. A conservative investment philosophy has helped us travel a steady path throughout the years.

Depicted to the right is a breakdown of the invested assets of the Auto-Owners Insurance Group as of Dec. 31, 2020. The combination of U.S. government bonds and investment-grade bonds represents 68.13% of invested assets. Non-investment-grade bonds represent only 1.36% of invested assets.

combined assets



Financial stability has always been a top priority of the company since its founding over 100 years ago. Our adherence to a SAFE. SOUND. SECURE.® investment portfolio helps assure that when you need us most, Auto-Owners will be there.”

*Comments from Jeff S. Tagsold,
Chairman & CEO, Auto-Owners Insurance*

financial report

assets	Life Company	Property & Casualty Consolidated
bonds	\$3,496,477,007	\$16,570,027,416
stocks	\$333,122,184	\$5,186,351,883
mortgages	\$63,618,507	\$21,114,895
real estate owned	\$170,368,261	\$209,162,698
premiums receivable	\$53,125,366	\$1,691,140,144
other assets	\$400,094,063	\$1,554,544,100
total assets	\$4,516,805,388	\$25,232,341,136

liabilities	Life Company	Property & Casualty Consolidated
claim and policy reserves	\$2,731,886,015	\$6,384,975,402
unearned premiums	–	\$4,260,518,624
other liabilities	\$1,189,371,135	\$1,362,331,679

capital	Life Company	Property & Casualty Consolidated
funds for the protection of policyholders	\$595,548,238	\$13,224,515,431
total liabilities & capital	\$4,516,805,388	\$25,232,341,136

profit & loss statement

revenue	Life Company	Property & Casualty Consolidated
net premium earned	\$(734,391,802)*	\$8,735,978,667
net investment income	\$143,817,125	\$653,694,561
total income earned	\$(590,574,677)	\$9,389,673,228

expenses	Life Company	Property & Casualty Consolidated
claim- and policy-related expense	\$(716,312,484)*	\$5,751,634,339
service & administrative expense	\$90,184,983	\$2,664,248,876
total expenses	\$(626,127,501)	\$8,415,883,215

net income before income taxes	\$35,552,824	\$973,790,013
income tax expense	\$18,024,404	\$158,853,540
net income	\$17,528,420	\$814,936,473

*reflects the one-time reinsurance transaction of approximately \$1 billion of annuity business.



**we give you peace of mind,
which gives us peace of mind.**

operating states

Auto-Owners

Home Office
6101 Anacapri Blvd.
Lansing, MI

Operation



Atlantic Casualty

Home Office
400 Commerce Ct.
Goldsboro, NC

Operation

Operates in all states with the exception of Alaska.



CIG

Home Office
2300 Garden Rd.
Monterey, CA

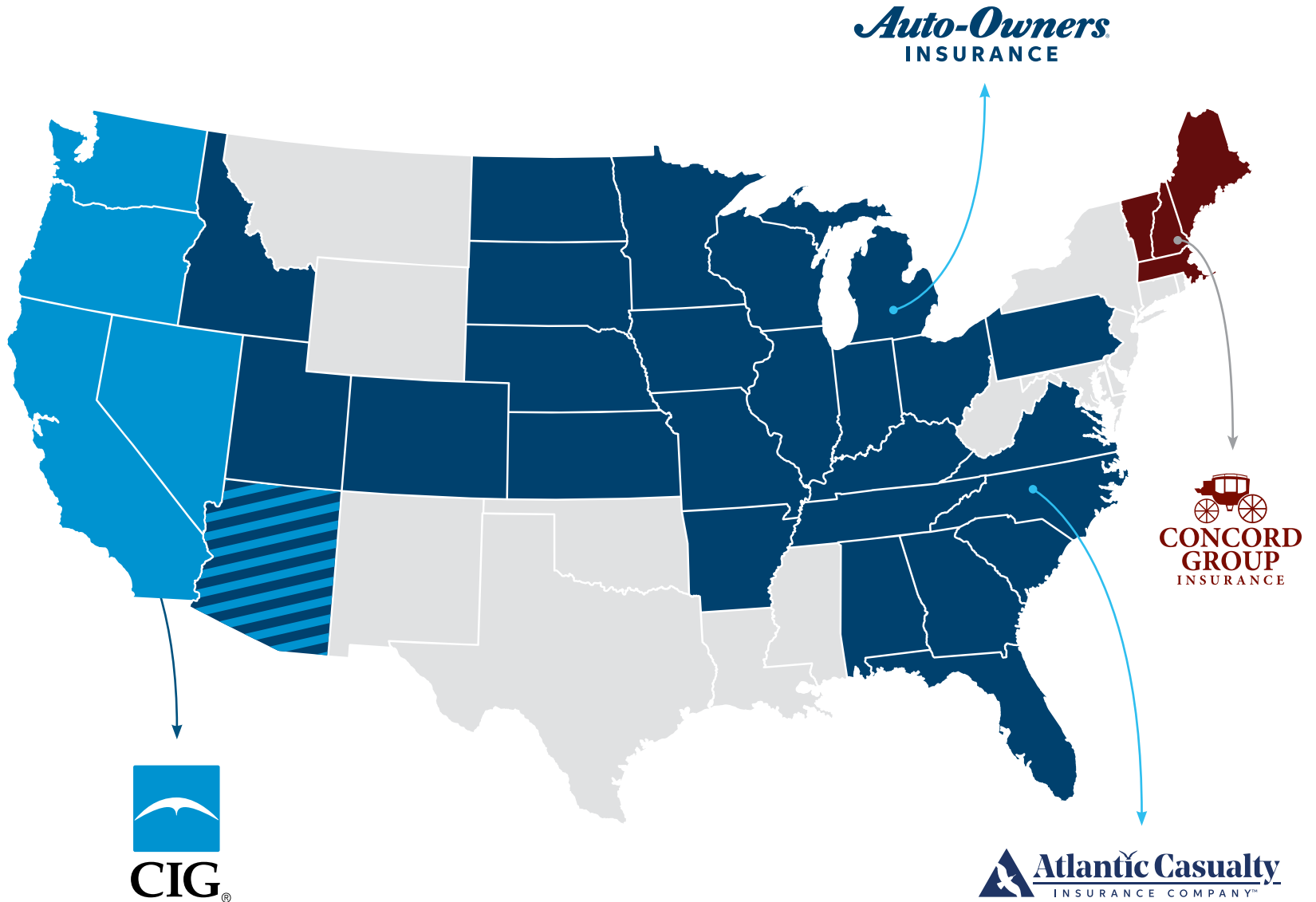
Operation



Concord

Home Office
4 Bouton St.
Concord, NH

Operation



subsidiaries & affiliates

Auto-Owners Insurance Company (established 1916) is represented by 48,000 agents in 6,301 agencies, and is the Group's largest insurer. This mutual insurance company ranks among the leading property & casualty insurers in the U.S. with recorded net written premiums of \$4,525,920,640 in 2020, an increase of 5.7% from the previous year.

Auto-Owners Life Insurance Company (established 1965) experienced another great year in 2020; applications received exceeded 35,000. The Company recorded \$44,440,420,644 of life insurance in force at year-end, an increase of 4.9% from the previous year. Total assets increased 7.5% to \$4,516,805,388.

Home-Owners Insurance Company (established 1973) recorded written premiums of \$878,556,688 in 2020, a decrease of 6.1% from the previous year. This property & casualty stock company writes business primarily in Michigan and Ohio.

Owners Insurance Company (established 1975) recorded written premiums of \$2,134,891,472 in 2020, an increase of 5.3% from the previous year. This stock company is the second-largest property & casualty insurer in the Auto-Owners Insurance group and operates in 25 of the 26 states that make up the Auto-Owners regional market.

Property-Owners Insurance Company (established 1976) recorded written premiums of \$153,916,209 in 2020, an increase of 4.6% from the previous year. This stock insurer writes property & casualty products in Indiana, Michigan and Georgia.

Southern-Owners Insurance Company (established 1995) recorded written premiums of \$450,358,728 in 2020, an increase of 1.2% from the previous year. This stock insurer writes property & casualty products in Florida.

Atlantic Casualty Insurance Company (acquired 2016) recorded written premiums of \$209,782,188 in 2020, an increase of 28.9% from the previous year. This stock insurer writes excess and surplus lines in 49 states and the District of Columbia.

Concord Group Insurance Companies (affiliated 2017), including Concord General Mutual Insurance Company, Green Mountain Insurance Company, State Mutual Insurance Company, Sunapee Mutual Fire Insurance Company, and Vermont Accident Insurance Company, recorded written premiums of \$214,705,664 in 2020, an increase of 5.2% from the previous year. This group of insurers writes property & casualty products in Maine, Massachusetts, New Hampshire and Vermont.

Capital Insurance Group (acquired 2019), including California Capital Insurance Company (*incorporated 1898*), Eagle West Insurance Company (*incorporated 1960*), Monterey Insurance Company (*incorporated 1987*), and Nevada Capital Insurance Company (*incorporated 2001*), recorded written premiums of \$400,222,605 in 2020, an increase of 4.3% from the previous year. This group of insurers writes property & casualty products in Arizona, California, Nevada, Oregon and Washington.

**we treat people like people.
because after all, they're people.**

