



A.M. BEST AFFIRMS FINANCIAL STRENGTH RATINGS

Farmers Automobile Insurance Association and Pekin Insurance Company Ratings

A.M. Best has affirmed the Financial Strength Rating (FSR) of **"A" (Excellent)** of Pekin Insurance Group and our two intercompany pool members, The Farmers Automobile Insurance Association and its wholly owned subsidiary, Pekin Insurance Company. The outlook for the FSR remains **stable**. Financial Strength Ratings are published in A.M. Best's Insurance Reports and represent their independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The ratings reflect Pekin Insurance Group's strong risk-adjusted capitalization, positive operating performance over the latest five-year period, strong loss reserve position, conservative operating strategy, and solid market presence in the Midwest. A.M. Best also noted the growth of net investment income generated by the high quality of our fixed income investment portfolio.

At the same time, A.M. Best has affirmed our Issuer Credit Rating (ICR) of **"a+" (Excellent)**. The outlook for the ICR was revised to negative from stable. Issuer Credit Ratings are not published in A.M. Best's Insurance Reports, but are posted on A.M. Best's website and Business Wire. An ICR is assigned to insurance companies, banks, hospitals, holding companies, or other legal entities authorized to issue financial obligations and represents A.M. Best's independent opinion of an entity's ability to meet its ongoing senior financial obligations. Although the Pekin Insurance Group has issued no senior financial obligations, the ICR is utilized by A.M. Best to provide additional granularity in the overall rating process. The negative outlook for the ICR reflects A.M. Best's concerns regarding the group's operating volatility at its current ICR rating level.

Pekin Life Insurance Company Ratings

A.M. Best has also affirmed the Financial Strength Rating of **"A-" (Excellent)** and Issuer Credit Rating of **"a-" (Excellent)** of Pekin Life Insurance Company. The outlook for both ratings is **stable**. The ratings of Pekin Life reflect its integral role within the parent organization, Pekin Insurance Group, strong risk-adjusted capitalization, conservative investment portfolio and diversified lines of business, which support the company's varied target markets in its core regional geographical areas.