

CELEBRATING 100 YEARS
**STRENGTH.
STABILITY.
SERVICE.**



COUNT ON EMC 1911
2011



Kevin J. Hovick, Bruce G. Kelley and Ronald W. Jean

TO OUR CUSTOMERS

In 2011, EMC Insurance Companies is celebrating 100 years in business. This year, we join an elite group of companies. Less than 13 percent of property and casualty companies in the country are 100 years or older—and the majority of those are mutual companies.

We're proud of our mutual heritage. We began as a mutual company in 1911 and have stayed true to that business model. This allows us to take a long-term approach in our strategies and business decisions, emphasizing conservative investing and careful risk selection.

We are pleased that A.M. Best recognized our continuing efforts to improve our underwriting and operating results by revising EMC's outlook to positive in 2010. This positive outlook recognizes the company's historically strong balance sheet and EMC's ability to improve risk selection, pricing and claims handling, despite the soft market.

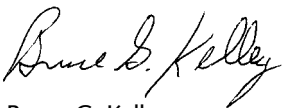
Our success shows on our balance sheet, in our book of business and in our agency relationships that we've been building for 100 years:

FINANCIAL STRENGTH demonstrated by the record-high surplus of \$1.08 billion and the record-high assets of \$3.16 billion attained in 2010.

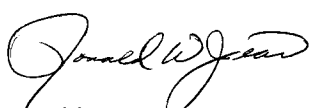
STABILITY in the products we offer in the market areas where we've been serving our customers for the past century.

SUPERIOR SERVICE provided through the strong, deeply-rooted relationships we've built and maintained with our agents.

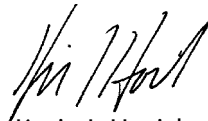
Our strength, stability and service have sustained the success we've had over the past 100 years, and will sustain our success for the next 100.



Bruce G. Kelley
J.D., CPCU, CLU
*President
& Chief Executive Officer*



Ronald W. Jean
FCAS, MAAA
*Executive Vice President
for Corporate Development*



Kevin J. Hovick
CPCU
*Executive Vice President
& Chief Operating Officer*



William A. Murray
CIC, AU

William A. "Bill" Murray, executive vice president and chief operating officer, retired from the company in January 2011, following a 25-year career with EMC Insurance Companies.

Murray joined EMC in 1985 as the personal lines underwriting manager in the Home Office. He transferred to the Charlotte Branch in 1991 to assume the position of assistant manager and eventually become the branch manager in 1992.

In 2001, Murray returned to the Home Office in Des Moines to become executive vice president and COO, the position he held until his retirement.

Murray was elected to the Employers Mutual Casualty Company Board of Directors in 2008 and will continue in that capacity.



In 1911, John Alexander Gunn owned the Gould Balance Valve Company and was

the vice president of the Iowa Manufacturers Association.

By July of that year, he was the president of the new Employers Mutual Casualty Association.

Gunn was born in Hamilton, Ontario, Canada, in June 1861. His family moved to the Dakota Territory when he was in fourth grade. After that, he was home-schooled by his mother until he left home at age 17.

In 1899, he settled in Plum Creek, Neb., and opened an implement dealership. Later, Gunn worked for J.I. Case selling farm machinery. About 1907, he formed the Gould Balance Valve Company in Kellogg, Iowa.

Gunn lead EMC as president from 1911 to 1940 when he resigned at age 79. His son, John W. Gunn, was next to take over the presidency.

CELEBRATING A CENTURY OF **STRENGTH. STABILITY. SERVICE.**

This year we celebrate 100 years in business—a century of successfully providing comprehensive protection, financial stability and superior service to our policyholders, agents and employees. This is a celebration of achievement.

Our company has stood the test of time, demonstrating the strength, stability and service we are known for—proving that you can *Count on EMC®*.

One hundred years ago, a group of businessmen known as the Iowa Manufacturers Association joined together to form an insurance company in anticipation of the passage of a workers' compensation law in Iowa. The group thought it would be better to insure Iowa companies locally, and that it would cost less to establish their own mutual company to insure their members. On April 24, 1911, Employers Mutual Casualty Association was born, known today as EMC Insurance Companies.

STRENGTH

The **STRENGTH** of EMC Insurance Companies comes not only from the close, positive relationships we maintain through our branch offices with our agents, policyholders and the communities we serve, but also from developing a complete range of products and services to meet the needs of policyholders.

EMC was formed as a mutual company to insure Iowa Manufacturers Association members and to provide a better cost alternative to the stock companies of that time. We fought hard to maintain and promote mutual companies throughout our existence—mutualism being a structure that would prove to be hugely beneficial because it allowed the company to take a long-term approach to business strategies and decisions.

AGENTS FROM THE FIRST

The association quickly grew, and it became obvious that a distribution system was needed to continue our rising success. We recognized as early as 1915 the valuable role independent agents could play in understanding the needs and problems of their communities. That's why we chose the independent agency system—as much an advantage today as it was then.



“We found out the best way was to write through local agents, thus getting the benefit of their influence, contacts and service.”

*— George E. Patterson
EMC's first field supervisor*



Communicating for Success

In 1928, EMC needed a name for its agent newsletter, and H.W. Jensen, an agent from Audubon, Iowa, won the name-the-newsletter contest with his submission of *The Co-Operator*. This name emphasized two-way communication between the company and its agents.

We still publish *Cooperator* today for the same reasons we did back then. Our relationships with our agents are critical to the ongoing success of the company.

Agents are the frontline sales force, and the company's promotional and communications activities are directed toward building strong, enduring relationships with them. In the first newsletter published for agents in 1928, President John A. Gunn wrote:

"Our agency force is our greatest asset. The agent's success is ours, and our success means much to the agent ... the greatest service a company can perform for its agents is simply to do its job well—to pay all just losses promptly, fairly, and cheerfully. That is why we are all in the insurance business, and by working together to do our job better, we can all succeed."

Nearly a century later, EMC joined the newly created Trusted Choice® initiative to show our ongoing support of the independent agency system and the great respect we have for our agency partners and their profession. The Trusted Choice brand represents the same qualities agents have come to expect from EMC, including reliability, stability and excellent customer service. We're proud to join with Trusted Choice to promote the benefits independent agencies offer customers.

DEVELOPING, IMPROVING PRODUCTS

When Iowa's workers' compensation law took effect in 1914, EMC was ready to write the business and cover the claims. The company slowly added other lines of liability coverage to its product mix to stay competitive in the markets we served: fidelity and surety bonds in 1942, personal auto coverage and homeowners in the mid-1950s, and life insurance in 1963.

Today, EMC offers a full lineup of products with comprehensive, flexible coverage so agents can keep the customers they have, while attracting even more business:

- **Commercial lines: property, general liability, business owners, workers' compensation, auto, inland marine, umbrella**
- **Personal lines: homeowners, auto, motorcycle, dwelling, inland marine, umbrella**
- **Errors and omissions**
- **Fidelity and surety bonds**
- **Excess and surplus lines with EMC Underwriters, LLC**
- **Reinsurance through EMC Reinsurance Company**
- **Life insurance through our affiliate, EMC National Life Company**
- **Third-party administration with EMC Risk Services, LLC**



**“Insurance is our
business, and we
intend to stay in it.”**

*– Robb Kelley
EMC President & CEO
1963-1982*

Commercial Lines, Quote Online

EMC's online system for our agents on www.emcins.com now provides a full range of options for quoting commercial lines business. With the addition of property, general liability and inland marine last year, agents can easily quote seven lines of commercial business in one online service.

Coverage Enhancements For Businessowners

In 2010, the EMC Choice® Businessowners program (BOP) was enhanced to provide expanded eligibility, new class codes and upgraded endorsements. To help small and midsized businesses defend themselves against employment claims, we added employment practices liability (EPLI) coverage under our EMC Choice BOP product. In addition, we added EPLI to our commercial general liability and commercial garage liability to better meet market needs.

More Online Options For Personal Lines

Agents can now submit all personal lines of business online. EMC's online application system includes dwelling fire, personal umbrella, personal auto, motorcycle and homeowners. In 2010, EMC added equipment breakdown coverage to our homeowners policies to cover the breakdown of mechanical, electrical and pressure systems; this coverage is typically excluded in traditional homeowners coverage.





STABILITY

EMC's financial statements consistently demonstrate our strong position. Sound underwriting practices and a conservative investment philosophy enabled EMC to survive 100 years of dynamic change, including two world wars, the Great Depression, recessions, inflation and dramatic swings in the stock market. And our planned geographic growth enabled us to remain stable in the markets we serve.

SOLID INVESTING STRATEGIES

As a mutual insurance company, we focus on long-term results, taking a conservative approach to our investment strategies. In 1917, some of our first investments were made in bonds, which helped us get through the Depression. Our careful financial investing has secured the continuing stability and profitability our agents and policyholders have counted on over the last century.

**2010
RECORD HIGHS:
\$1.08 billion in
policyholder surplus
\$3.16 billion
in assets**

HIGH UNDERWRITING STANDARDS

Those who first established the solid conservative underwriting philosophy of the company knew the importance of maintaining high underwriting standards. That conservative culture was instilled in succeeding generations of underwriters and remains today. Carefully managing our risks, cautiously underwriting our business and adequately reserving for claims has resulted in a solid company that can persevere through erratic market cycles.

A Most Trustworthy Company

“Being transparent and honest in financial reporting enhances our consistency, solid financial results, stockholder value and longevity,” stated EMC President and CEO Bruce Kelley when EMC Insurance Group Inc. was included on the Forbes “100 Most Trustworthy Companies” list in 2010.

The list identified the most transparent and trustworthy companies that trade on American exchanges. “This validates our core values of honesty and integrity, which have helped build our strong financial foundation and our company’s success,” Kelley concluded.

EMC Insurance Group Inc.’s parent company is Employers Mutual Casualty Company, which uses the trade name EMC Insurance Companies.

PLANNED GEOGRAPHIC GROWTH

We are a near-national company—large enough to withstand economic turmoil, yet small enough to keep in touch with our agents and communities. We planned it that way.

In 1921, the company began exploring the possibility of entering other states, but did not open its first branch office until 1934. From the opening of that first branch in Wichita, Kan., the company expanded cautiously, adding its 16th branch office in Cincinnati in 1997.

As we carefully planned our expansion, we chose the most profitable market areas, and made the commitment to stay. Today, we are licensed in all 50 states and primarily provide insurance protection in 42 states.

We’re proud to be a reliable and stable company in the markets we serve.

1911	Des Moines
1934	Wichita
1937	Chicago
1939	Omaha
1940	Lansing
1942	Minneapolis
1956	Milwaukee
1958	Phoenix
1962	Kansas City
1966	Jackson
1968	Providence
1973	Bismarck
1975	Charlotte
1981	Denver
1982	Birmingham
1997	Cincinnati





SERVICE

EMC prides itself on our high quality of service, which has endured through time. Our emphasis on superior service for our agents and policyholders illustrates how they can *Count on EMC®*. This dedication to our work and the communities we serve will continue to reinforce our success as we move into the next 100 years.

LOSS CONTROL

For more than 80 years, EMC has provided policyholders with more than just insurance coverage. We have consistently delivered sophisticated support, technical expertise and the information and resources needed to reduce the risk of loss and improve safety. The broad range of loss control services we offer, usually at no cost to our policyholders, helps our agents sell insurance by providing additional value to their policyholders.

We empower our commercial customers to improve workplace safety by giving them helpful, flexible tools and resources. Our new online Safety Video Library, introduced on www.emcins.com, allows policyholders to search for safety videos by category, industry or keyword.

Several new online training modules for commercial policyholders were made available on the EMC website in 2010. The self-directed modules, delivered in short segments, reduce training downtime and allow companies to provide consistent, convenient training to employees regardless of their shift or location. The use of these online training modules rose nearly 300 percent in 2010.

**“Never forget
a policyholder
and never let
a policyholder
forget you.”**

– John W. Gunn

President

1940-1947

1957-1963

TECHNOLOGY ADVOCATE

In 1957, EMC was on the cusp of the technology era when we installed our first mainframe computer, an IBM 650. And we have been an advocate for advancing technology ever since.

In the 1990s, we were among the first in the nation to implement an in-house electronic rating and filing system. We launched our website in 1998, and we continue to build on our website technology to give agents and policyholders access to valuable online services and resources.

In 2002, we rolled out our in-house automated claim system, providing claim information online and greatly reducing claim settlement time. Quick, easy online claim reporting is available for business auto, workers' compensation and personal lines claims. We made improvements to our claim system in 2010 to automatically route complex claims to specialists and simple claims to direct handling. Thus, we can give better service to our agents and policyholders and increase the productivity of our branch office staff.

EMC received six technology awards in 2010, including the ACORD Property/Casualty & Surety Round Trip of Data Award, the ACORD Property/Casualty & Surety Most Actively Involved with ACORD Award, and the AUGIE Commercial Lines Download Award.* EMC was also selected from a pool of thousands of entries from all over the world to receive a 2010 Platinum Hermes Creative Award for overall website design.

EMC Insurance Companies is committed to using technology to streamline the workflow for agents, improve the quality of the data available, and increase the efficiency and accuracy of insurance transactions so our agents can better serve their customers.

EMPLOYEE EDUCATION

With our commitment to the education and development of experienced, dedicated staff, we can provide our agents and policyholders with superior, knowledgeable service.

EMC supports and encourages continuing education, including the successful completion of professional designation programs such as the Chartered Property Casualty Underwriters (CPCU) program. We were recognized in 2010 as having the highest percentage of CPCUs in any insurance organization in the country. More than 10 percent of EMC employees are CPCUs—that's nearly 225 employees.

* ACORD is the Association for Cooperative Operations Research and Development, and AUGIE is the ACORD-User Group Information Exchange.



In 1926, we hired our first safety engineer to be the “eyes and ears of the underwriting department.”

As the popularity of automobiles grew in the 1930s, EMC started a safe driving program. Today, we offer the EMC Safe Driver Award Program for commercial policyholders to recognize their employees' safe driving habits while on company business.

In 1941, a chief safety engineer was hired to head this specialized department—now we have professional engineers on staff and risk improvement representatives in every branch office.

We currently offer one of the most comprehensive scopes of loss control services in the country. Overall, we spend nearly twice as much on our loss control services for policyholders than most other companies our size—yet another way we prove you can *Count on EMC®*.

EMC'S 100 WAYS OF GIVING

In celebration of our 100-year anniversary, we are offering up to \$200,000 to nonprofit organizations in communities near our branch offices. The 100 Ways of Giving program will benefit approximately 100 nonprofit organizations with grants up to \$1,000 from the EMC Insurance Foundation. Those nonprofit organizations are then eligible to compete for one of four additional \$25,000 grants.

A LOCAL TOUCH

Because we strategically located our branch offices across the country, we have the agility to conduct regional planning and the ability to address the needs of the local marketplace. We can better serve our independent agents by giving them a single regional point of contact and providing them with local underwriting, loss control, marketing and claim services.

Our high employee retention rate means agents develop long-term, stable relationships with their regional contacts. Our staff provides local, personalized service that increases the level of confidence our agents and policyholders have in their EMC representatives. This local service truly sets us apart from other companies.

COMMUNITY SERVICE

Improving the communities where we live and work has always been an important part of the *Count on EMC*® promise. That is why we actively support the United Way of Central Iowa, an organization that makes a positive impact in the city where our corporate headquarters is located.

This year, the company also contributed through a skills-based volunteer project, spearheaded by President and CEO Bruce Kelley, which tapped into employees' professional skills in order to provide a beneficial service to a local organization. Our premier project was a playground assessment at the Youth Emergency Services and Shelter (YESS) in Des Moines. EMC's Risk Improvement team inspected the playground to identify potential hazards and made recommendations for improvements. The EMC Insurance Foundation has agreed to fund a portion of the cost for YESS to implement the recommended upgrades to its playground in 2011.



100 YEARS AND STILL COUNTING

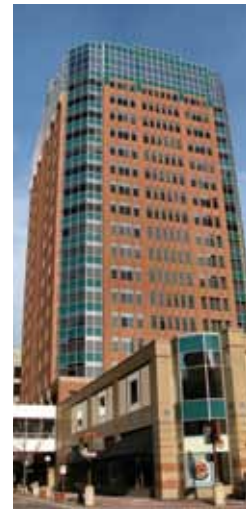
To celebrate 100 years in operation is a tremendous milestone—an achievement that must be honored by recognizing the expertise and commitment of our more than 2,100 employees and our agency partners. This century of success is a true testament to the quality of our products, our innovative services, our conservative financial approach to doing business and our exemplary customer relationships. Our ability to meet the challenges of every new decade has allowed us to grow into the strong, stable and secure insurance company we are today. And we look forward to the next 100 years.



Downtown and the Future

As an Iowa-based company, EMC is committed to downtown Des Moines. Initially, the company rented office space in the Crocker Building, then in 1937, constructed its first building on Seventh Street. EMC gradually acquired several city blocks, centered at Seventh and Mulberry Streets.

In 2010, EMC Insurance Companies purchased the Hub Tower, a 20-story high-rise adjacent to the company's headquarters in downtown Des Moines. The purchase of the Hub Tower gives the company space for current employees and future expansion—and further solidifies our commitment to downtown Des Moines.



FINANCIAL STATEMENT

UNDERWRITING OPERATIONS

	2010	2009	2008	2007	2006
Net Written Premiums	\$ 1,125,278,642	\$ 1,122,857,566	\$ 1,121,769,668	\$ 1,156,314,423	\$ 1,136,813,086
Net Earned Premiums	\$ 1,107,578,526	1,107,283,301	1,130,385,412	1,146,229,241	1,139,141,865
Losses Incurred	\$ 600,368,147	590,000,366	710,311,165	575,411,046	514,464,043
Ratio To Earned Premiums	54.2	53.3	62.8	50.2	45.2
Loss Adjustment Expenses	\$ 144,312,148	132,608,290	138,977,920	137,368,341	142,086,459
Ratio To Earned Premiums	13.0	12.0	12.3	12.0	12.5
Other Underwriting Expenses	\$ 385,301,672	385,226,683	363,207,490	385,353,670	378,379,424
Ratio To Written Premiums	34.2	34.3	32.4	33.3	33.3
Policyholder Dividends	\$ 25,389,190	25,302,866	25,589,457	22,266,878	22,340,980
Ratio To Earned Premiums	2.3	2.3	2.3	1.9	2.0
Net Underwriting Gain (Loss)	\$ (22,403,441)	(552,038)	(82,111,163)	25,829,306	81,870,959
Combined Loss & Expense Ratio	103.7	101.9	109.8	97.4	93.0

NET INVESTMENT GAINS

	2010	2009	2008	2007	2006
Net Investment Income Earned	\$ 115,019,398	\$ 117,742,691	\$ 116,314,478	\$ 120,665,808	\$ 112,001,781
Net Realized Capital Gains (Loss)*	\$ 77,570,949	35,409,935	(74,401,075)	13,802,216	9,846,392
Net Investment Gain	\$ 192,590,347	153,152,626	41,913,403	134,468,024	121,848,173

FINANCIAL RESULTS

	2010	2009	2008	2007	2006
Net Income (Loss)	\$ 139,641,708	\$ 110,310,538	\$ (52,223,029)	\$ 124,055,378	\$ 166,560,559
Assets	\$ 3,162,999,616	3,094,064,079	2,956,756,093	3,132,428,167	2,973,253,222
Liabilities	\$ 2,083,409,556	2,093,257,052	2,108,181,157	2,077,314,467	2,049,768,527
Surplus	\$ 1,079,590,060	1,000,807,027	848,574,936	1,055,113,700	923,484,695

*Net of capital gains tax.

A LOOK AT THE NUMBERS

Our year-end results are gratifying considering the country's ongoing economic conditions. Our financial strength is demonstrated by the record-high surplus and record-high assets the company attained in 2010.

The combined trade ratio was 103.7 for the year, very close to our corporate objective of 103.0 or less, in spite of another year of above-average storm losses. Current year storms contributed roughly 10.7 points to the combined ratio, compared to 8.9 points in 2009 and a long-term average of 6.8 points.

We finished 2010 with net written premiums of \$1.125 billion, an increase of 0.2 percent from \$1.123 billion last year. This is a positive result considering ongoing competition for good business and the difficult economic conditions.

Policyholder surplus rose 7.9 percent, or \$78.8 million, to a record \$1.08 billion, adding to our strong financial base. Net investment income and solid returns from our common stock portfolio offset the underwriting loss and contributed to the nice gain in surplus. Underwriting losses of \$22 million were off-set by EMC's net investment income of \$115 million and investment gains of \$77.6 million, which contributed to the consistent growth in surplus. EMC's unaffiliated common stock portfolio returned 14.1 percent, compared to a 15.1 percent return for the Standard & Poor's 500.

Record-high assets of \$3.163 billion were reached in 2010, topping the previous record in 2007 of \$3.132 billion. We remain confident that our underlying book of business is sound. Retention rates continue to be high, averaging 86 percent. We continue to concentrate on disciplined underwriting, sound risk selection and appropriate pricing. While they vary by territory and line of business, lingering soft market conditions and ongoing economic issues remain.

Our investment portfolio performed well despite a volatile interest rate environment. Net investment income decreased 2.3 percent, compared to 2009 as higher coupon securities were called out of the portfolio and proceeds were invested in the current low-rate environment. The average coupon for the fixed income portfolio decreased 0.33 percent to 4.94 percent during this time. Overall, net investment gains increased 25.8 percent, primarily resulting from the sale of EMC's Verisk stock holdings.

Branch Business

Our EMC Choice® family of products, available in all territories, continued to provide an avenue for growth for our branch operations. 2010 marked the sixth straight year of premium increases for this business, which now accounts for almost \$190 million of our commercial lines volume. These products include tailored coverages for multiple industries, from equipment dealers to wholesalers to automotive service. A cornerstone product is EMC Choice® Businessowners, offering more than 300 classes of business.

EMC's Target Market and Safety Group programs (industry and territory specific offerings) provide great stability to our commercial lines. With over \$328 million in premium volume, these programs set a solid foundation for our book of business. Last year the group programs bolstered retention and provided a means to increase premiums 1.3 percent.

Over 72,000 new policies were written in 2010, an increase of 13.4 percent over 2009. The new commercial policies were well diversified both across lines of business as well as industries.

Ten of our branch offices secured more new business premium in 2010 than 2009, despite a softened market and continuing economic pressures. Twelve of the 16 branch offices had loss ratios at or below 60 percent, providing evidence of strong underwriting risk selection and prudent pricing.

Surety and Fidelity Bonds

Direct written premium decreased 6.8 percent, which is to be expected given the continuing downturn in construction spending. The direct loss ratio (on a net basis before any reinsurance recoverable) was 26.3 percent. The poor economy has had a negative impact on both the contract bond and fidelity bond loss ratio.

EMC Reinsurance Company

The combined trade ratio for EMC Reinsurance Company (EMC Re) in 2010 was 88.0. EMC Re benefited from reduced U.S. landfall hurricane activity, as well as favorable development from prior accident years. Reinsurance premiums increased 10.7 percent for the year. Emphasis on international business is a continuing focus of EMC Re's marketing, as it provides diversity and has historically enhanced overall results.

	BRANCH MANAGER	YEAR OPENED	TERRITORY	EMPLOYEES
BIRMINGHAM	Thomas C. O'Connell CPCU, CIC, ARM, AU, AMIM, AIM Resident Vice President	1982	Alabama Florida	Georgia Tennessee 56
BISMARCK	Marilyn R. Ternes CPCU, AU Resident Vice President	1957 (Dakota Fire) 1973 (EMC Branch)	Idaho Montana	North Dakota Oregon 77
CHARLOTTE	Lonnie D. Schwab AU Resident Vice President	1975 (Charlotte) 1946 (Valley Forge)	Delaware Maryland New Jersey North Carolina	Pennsylvania South Carolina Virginia Washington, D.C. 84
CHICAGO	Gary A. Kohnke CPCU Resident Vice President	1937	Illinois	47
CINCINNATI	Kent A. Kochheiser CPCU Resident Vice President	1858 (Hamilton Mutual) 1997 (EMC Branch)	Indiana Kentucky Ohio	70
DENVER	Dennis J. Prindiville CPCU, AU Regional Vice President	1981	Colorado Utah Wyoming	53
DES MOINES	James C. Fontanini CPCU Resident Vice President	1911	Iowa	187
JACKSON	Frankie Box CPCU, CLU, ChFC, AIM Resident Vice President	1966	Louisiana Mississippi	35
KANSAS CITY	Benjamin K. DeHart CPCU, ARM, AR Resident Vice President	1962	Arkansas Missouri Kansas (NE)	62
LANSING	Gary E. Pingel CPCU, AU Resident Vice President	1940	Michigan	57
MILWAUKEE	Philip R. Lucca CPCU Resident Vice President	1956	Wisconsin	74
MINNEAPOLIS	Jerry K. Harlow CPCU, AU Resident Vice President	1942	Minnesota	45
OMAHA	Kevin J. Sillau CPCU Resident Vice President	1939	Nebraska South Dakota	81
PHOENIX	Carl L. Doot CPCU, CLU, AU Resident Vice President	1958	Arizona California	Nevada New Mexico 78
PROVIDENCE	Raymond L. Geary CPCU Resident Vice President	1863 (Union Mutual) 1968 (EMC Branch)	Connecticut Maine Massachusetts	New Hampshire Rhode Island Vermont 43
WICHITA	Bernard E. Zalaznik CPCU Resident Vice President	1934	Kansas Oklahoma Texas	173

**BOOK OF BUSINESS
% COMMERCIAL
% PERSONAL**

AGENCIES

**2010
PREMIUM**

143	\$38,692,213	78% 22%
268	\$67,514,784	70% 30%
249	\$87,527,157	100% 0%
129	\$37,404,741	89% 11%
175	\$75,251,734	55% 45%
127	\$45,450,854	85% 15%
370	\$179,596,685	78% 22%
107	\$33,718,280	100% 0%
146	\$50,078,896	87% 13%
89	\$37,115,107	100% 0%
65	\$64,666,619	93% 7%
134	\$39,484,375	69% 31%
316	\$69,208,595	92% 8%
203	\$55,552,524	94% 6%
108	\$33,691,854	69% 31%
292	\$165,500,000	92% 8%

THE EMC DIFFERENCE LOCAL OFFICES



EMC serves its agents and policyholders through a network of branch and service offices strategically located throughout the country. This enables us to provide exemplary local service in underwriting, claims, marketing and risk improvement. Agents and policyholders can communicate directly with an EMC representative who understands their local insurance needs and who has the authority to make decisions. Our branch office structure also makes it easy to customize commercial products for targeted businesses and associations.

BOARD OF DIRECTORS

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Practicing Attorney & Shareholder
Bradshaw, Fowler, Proctor & Fairgrave
Des Moines, Iowa

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Service Experts, Inc.
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Williamstown, Massachusetts

Ronald W. Jean, FCAS, MAAA

Executive Vice President for Corporate Development
EMC Insurance Companies
Des Moines, Iowa

Bruce G. Kelley, J.D., CPCU, CLU

President & CEO
EMC Insurance Companies
Des Moines, Iowa

John H. Kelley, M.D.

Retired Orthopaedic Surgeon
Boca Raton, Florida

Richard Koch, Jr.

President/Owner
Koch Brothers
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J. Thomas Lockhart

Business Administrator
Plymouth Congregational Church
Minneapolis, Minnesota

Mary O'Gorman Murray

Retired Executive
Towers Perrin Reinsurance
Media, Pennsylvania

William A. Murray, CIC, AU

Retired Executive Vice President & COO
EMC Insurance Companies
Des Moines, Iowa

H. Terrill Watts, Jr., CPA

Proprietor/CPA Firm
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Elizabeth A. Nigut, J.D.

Jay L. Oster, CPCU, ARe, ARM, AU

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Kelvin B. Sederburg, ACAS, MAAA

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Lisa A. Stange, CFA, Treasurer

A. Beech Turner, CPCU

REGIONAL VICE PRESIDENT

Dennis J. Prindiville, CPCU, AU

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Frankie Box, CPCU, CLU, ChFC, AIM

Benjamin K. DeHart, CPCU, ARe, ARM

Carl L. Doot, CPCU, CLU, AU

James C. Fontanini, CPCU

Raymond L. Geary, Jr., CPCU

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As of publication.

CHANGES IN EMC EXECUTIVE POSITIONS IN 2010

Changes were made in key EMC executive positions in 2010, both in the Home Office and branch offices:

William A. Murray, CIC, AU, Executive Vice President and Chief Operating Officer, retired in January 2011.

Kevin J. Hovick, CPCU, succeeded Murray as Executive Vice President and Chief Operating Officer. Hovick previously served in various underwriting, marketing and management positions at EMC, most recently as Senior Vice President/Business Development.

Mick A. Lovell, CPCU, formerly Director of Product Management, was promoted to Vice President/Business Development, replacing Hovick.

Jason R. Bogart, CPCU, ARM, filled the new position of Vice President/Branch Operations, reporting to Hovick, after serving as Lansing Branch Manager for seven years.

Gary E. Pingel, CPCU, AU, formerly the Underwriting Manager of the Lansing Branch became Branch Manager after Bogart returned to the Home Office.

Raymond W. Davis, CFA, Senior Vice President and Treasurer, retired in July 2010, after more than 30 years with EMC.

Lisa A. Stange, CFA, was appointed Vice President/Investments to replace Davis. Stange has 19 years experience in portfolio management, marketing and financial strategy.

Norman H. Anderson, CSP, CPCU, ALCM, Vice President/Risk Improvement, retired at the end of 2009, after more than 35 years of service to EMC.

Bryon Snethen, CPCU, ARM, CSP, was named Vice President/Risk Improvement, replacing Anderson. Snethen has been with EMC's Risk Improvement Department since December 1990.

Elizabeth A. Nigut, J.D., joined EMC in September as head of the Human Resources Department after Kristi Johnson resigned to accept another position. Nigut was General Counsel for the Des Moines School District and has extensive experience in employment law and human resource issues.

R. David Orr, CPCU, CIC, ARM, AAI, Resident Vice President and Branch Manager of the Charlotte Branch and Valley Forge Service Office, retired in June 2010, after 17 years with EMC.

Lonnie D. Schwab, AU, Resident Vice President and former Branch Manager in Milwaukee, replaced Orr as Charlotte Branch Manager.

Philip R. Lucca, CPCU, joined EMC as the new Milwaukee Branch Manager in March 2010, replacing Schwab. Lucca began his insurance career in 1982 and has held positions in underwriting, marketing and operations management.

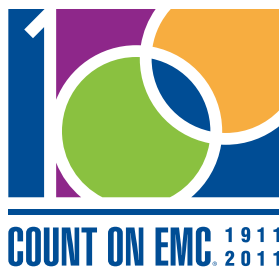
John R. Smith, CPCU, CIC, retired as Omaha Branch Manager in January 2011.

Kevin J. "Jay" Sillau, CPCU, formerly the Omaha Branch Underwriting Manager, replaced Smith as Resident Vice President and Omaha Branch Manager.



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