



NEWS RELEASE

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EMC Financial Strength and Long-Term Issuer Credit Ratings Affirmed by AM Best

DES MOINES, Iowa (Dec. 11, 2020)—AM Best announced today that it has affirmed all of the Financial Strength and Long-Term Issuer Credit Ratings for the following companies:

EMC Insurance Companies* and its five property/casualty subsidiaries

- Financial Strength Rating (FSR) of A (Excellent)
- Long-Term Issuer Credit Rating (Long-Term ICR) of "a+"
- Outlook remains stable

EMC Reinsurance Company (EMC Re)

- Financial Strength Rating (FSR) of A (Excellent)
- Long-Term Issuer Credit Rating (Long-Term ICR) of "a"
- Outlook revised from stable to negative

EMC National Life Company (EMCNL)

- Financial Strength Rating (FSR) of A- (Excellent)
- Long-Term Issuer Credit Rating (Long-Term ICR) of "a-"
- Outlook remains stable

In its release, AM Best stated the ratings of EMC Insurance Companies reflect the group's balance sheet strength, which the organization categorizes as strongest, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

"We are proud that our ratings have been reaffirmed by AM Best, especially in light of the many challenges of 2020," said Scott Jean, President and CEO, EMC Insurance Companies. "We are pleased that in their review, AM Best recognized the competitive position EMC maintains in the commercial lines space, as well as the fact that our balance sheet strength remains at the strongest level."

EMC Reinsurance: EMC Reinsurance Company (EMC Re) was established in 1981 and writes reinsurance worldwide. AM Best commented, "The ratings of EMC Re reflect its balance sheet strength, which AM Best categorizes as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management (ERM)." The change to a negative outlook for EMC Re represents AM Best's "concerns with recent underwriting performance, particularly in the face of

numerous significant catastrophe events in recent years.” Jean commented, “The EMC Re team has solid plans in place to improve underwriting profitability for this valuable segment of our enterprise.”

Additionally, in issuing the ratings AM Best said the following about the other companies:

EMC Insurance Companies: The ratings of EMC Insurance Companies reflect the group’s balance sheet strength, which AM Best categorizes as strongest, as well as its adequate operating performance, neutral business profile and appropriate ERM. The group maintains a competitive position in the commercial lines space. Operating results have been challenging in recent years, particularly in 2020 due to numerous significant catastrophe events, but the balance sheet strength has remained at the strongest level, as assessed by AM Best. Streamlining of product offerings also should lead to consistency in operating results.

EMC National Life Company: The ratings of EMCNL reflect its balance sheet strength, which AM Best categorizes as very strong, as well as its marginal operating performance, neutral business profile and appropriate ERM. The ratings of EMCNL also reflect its strategic importance to its parent, EMCC, its diversified product profile of life, annuity and workplace products, strong risk-adjusted capitalization with explicit capital support from the parent, and positive but declining earnings in recent years.

*EMC Insurance Companies refers to Employers Mutual Casualty Company (EMCC) and its five property/casualty (P/C) subsidiaries:

- Dakota Fire Insurance Company
- EMC Property & Casualty Company
- EMCASCO Insurance Company
- Illinois EMCASCO Insurance Company
- Union Insurance Company of Providence

About EMC Insurance Companies

EMC Insurance Companies has more than 2,400 employees and is among the top 60 property/casualty insurance organizations in the country based on net written premium. Employers Mutual Casualty Company (EMCC) was organized in 1911 to write workers’ compensation protection in Iowa. Today, operating under the trade name EMC Insurance Companies, the company provides property and casualty insurance products and services throughout the United States and writes reinsurance contracts worldwide. EMCC is licensed in all 50 states and the District of Columbia. For more information, visit emcins.com.

About AM Best

AM Best, the world’s oldest insurance rating and information source, uses the following definitions for their ratings:

- **Issuer Credit Rating (ICR):** an independent opinion on an entity’s ability to meet its ongoing financial obligations that can be issued on either a long- or short-term basis.
- **Financial Strength Rating (FSR):** an independent opinion of an insurer’s financial strength and ability to meet its ongoing insurance policy and contract obligations.

For more information, visit www.ambest.com.

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