

LEVELUP

2021 CORPORATE REVIEW

WE EXIST TO IMPROVE LIVES.

While EMC National Life Company as it exists today does not have a long history, the combined history of the former life companies that merged in 2003 and that of its property and casualty affiliate have been improving lives for over 100 years. To continue this trajectory, we must transform into an even stronger company that makes the life insurance experience easier than it's ever been. As we've executed our daily business over the last 365+ days, we've also been strategizing how we can improve more lives each day. Today, we're a company that prioritizes inspiration, operational excellence, the customer experience and profitable growth. Tomorrow, and every day after, we'll work to level up these priorities, ensuring we continue to improve the lives of all who *Count on EMC to Make Life Easy*[®].

LEADERSHIP



Todd Strother

Chief Executive Officer,
EMC National Life Company
Executive Vice President & Chief Legal
Officer, EMC Insurance Companies



Chris Frazier

President & Chief Operating Officer



Cam Torstenson

Executive Vice President,
Chief Marketing Officer



Mark DeVries

Senior Vice President, Chief Financial
Officer, Treasurer & Chief Actuary



Kevin Lund

Senior Vice President,
Chief Technology Officer



Paul Rivard

Senior Vice President, Chief Risk
& Experience Officer



Steve Brown

Vice President, Underwriting &
Claims Administration



Michelle Struck

Vice President, Operations &
Corporate Secretary



Sandy Struthers

Assistant Vice President, Controller &
Assistant Treasurer

OFFICERS

Chief Executive Officer

Todd A. Strother, J.D.

President & Chief Operating Officer

Chris D. Frazier, CPA, ALMI, ACS

Executive Vice President

Cameron S. Torstenson, CLU
Chief Marketing Officer

Senior Vice Presidents

Mark J. DeVries, FSA, MAAA, CERA
Chief Financial Officer, Treasurer & Chief Actuary

Kevin R. Lund, ALHC, FLMI, HIA, ACS
Chief Technology Officer

Paul R. Rivard
Chief Risk & Experience Officer

Vice Presidents

Steven C. Brown, FLMI, ACS, AIAA, AIRC, ALHC, Underwriting & Claims Administration

Michelle M. Struck, ALMI, ACS
Operations & Corporate Secretary

Assistant Vice President

Sandra K. Struthers, ALMI, ACS, AIRC

BOARD OF DIRECTORS

Chair of the Board

Todd A. Strother, J.D.
CEO
EMC National Life Company
Executive Vice President
EMC Insurance Companies
Des Moines, Iowa

Vice-Chair of the Board

Chris D. Frazier, CPA, ALMI, ACS
President & COO
EMC National Life Company
Des Moines, Iowa

Board Members

Lauren L. Burgeson
President
Iowa State Bank
Des Moines, Iowa

Raymond W. Davis
Retired Senior Vice President & Treasurer
EMC Insurance Companies
Des Moines, Iowa

Kevin J. Krause, CPA, FLMI
Partner & CFO
BP Real Estate Group
Des Moines, Iowa



INSPIRATION

Our strategy for success starts with leveling up our engagement with team members and providing an inclusive environment where diversity in demographics and thought is encouraged and celebrated. At EMC National Life, each one of us plays a vital role. By inspiring and empowering team members to pursue goals for professional and company growth, and providing the resources to do so, we all succeed.

GUIDING OUR NEW STRATEGIC DIRECTION

To reach our goals as individuals, departments and as a company, we must first be aligned in our purpose, culture and values. Our refined values clarify what's important at EMC National Life, guiding our business decisions and inspiring us to work together on this journey. Because of this, EMCNL has earned a 2021 Top Workplaces USA award from Energage, an organization focused on building and branding Top Workplaces across the country.

Our Purpose:

We exist to improve lives.

Our Culture:

Our culture is a strategic advantage.
Everything we do starts with our culture.

Our Values:

- ▶ **Relationships, Integrity, Trust, Inclusion and Resilience**
To support our purpose and culture, we do the right thing—the right way—always.



OPERATIONAL EXCELLENCE

To create a culture of excellence, we must level up the ways we deliver value to our customers. In 2021, we implemented strategic changes to our operational structure to build additional consistencies into the way we do business. This will ultimately lead us to deliver improved customer experiences while remaining committed to the local service and strong relationships we build with agents and customers, which is what sets EMC National Life apart in the marketplace.

ENHANCING OUR CONNECTIONS

In order to remain competitive in the changing life insurance landscape, EMCNL has modernized our product portfolio and underwriting processes to reflect the times and ensure clients get the appropriate coverage for their needs. These changes provide new ways to meet customer needs, enhance our relationships and create industry-leading processes.

Our success is built on long-standing partnerships with experienced, professional agents committed to profitable growth and excellent service, just like we are. We value our relationships with independent insurance agents and work with them to provide the coverage and protection our customers need to help improve their lives. Our sales team is focused on assigned areas of the country to provide service and serve as the main point of contact for those agents.



CUSTOMER EXPERIENCE

Our customers' connections to our team members drive positive business growth. And the way our team members feel about our company drives their motivation to provide strong, positive interactions. That's why we continue to level up our commitment to creating a culture of shared values, behaviors and capabilities. We demonstrate our ability to be responsive and find solutions. We show that we care.

SERVICE THAT'S A LEVEL ABOVE

Ensuring our agents and policyholders have positive customer experiences is one of the most critical ways we can deepen our *Count on EMC®* promise and continue to improve lives. Our success is best demonstrated by the positive comments we receive from policyholders and our excellent service rating that consistently meets and/or exceeds expectations.

In 2021, almost 100 percent of calls to our call center were answered and resolved by a live person. Our team members understand the importance of relationships and realize our customers have a choice when it comes to life insurance.

A NEW WAY OF LIFE

Prior to the pandemic, EMCNL modernized our product portfolio and streamlined underwriting, making obtaining life insurance even easier. Not surprisingly, the pandemic brought the importance of life insurance to the forefront for consumers. With an accelerated suite of products and normalized business communications tools, such as Zoom and DocuSign, agents are now operating in a way that creates greater flexibility and convenience for all.

CUSTOMER COMMENTS

“This process was so much easier than I ever imagined.”

- *Claim Survey*

“My agent was helpful, professional and explained everything to me. Thank you.”

- *New Business Survey*

“The request was met with courtesy and promptness.”

- *POS Survey*

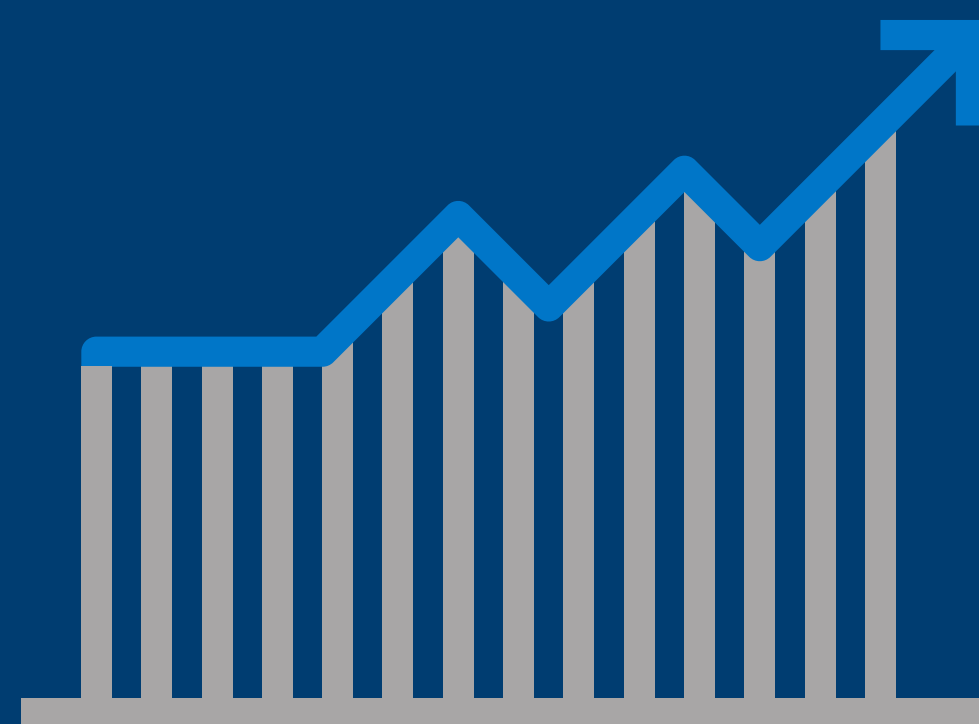
“Being friendly and taking the time to do everything in their power to make sure customers are satisfied makes all the difference in the world. Thanks. God bless you all!”

- *Call Center Survey*

MAKING A DIFFERENCE

EMC National Life understands the difficulty of a loss and importance of leaving a legacy. Designed to show our appreciation for insureds, we are proud to provide the *Make A Difference* program. When we send a benefit check, we extend our sympathies and ask the beneficiary to choose one of the charitable organizations listed on the right for us to donate to in honor of their loved one.

- ▶ **Alzheimer's Association**
- ▶ **American Cancer Society**
- ▶ **American Heart Association**
- ▶ **Make-A-Wish Foundation**
- ▶ **Wounded Warrior Project**



PROFITABLE GROWTH

Our formula for success is rooted in profitable growth. To build an even stronger, more profitable EMCNL and set our agents apart, we must constantly level up our innovations, broaden our markets, deepen our relationships, and expand our products and services to meet the ever-changing needs of our customers. We understand that every business is unique, and we believe when we truly invest in our customers and these important relationships, we will improve the lives of those who trust us with their business.

NEW LIFE INSURANCE PRODUCTS

In 2021, EMCNL introduced new features to two of its term life insurance products.

Accelerated Term 2.0:

Featuring our most advanced accelerated underwriting process yet, Accelerated Term 2.0 provides immediate underwriting decisions at face amounts up to \$1 million. Available for ages 18-60, this product also features some of the best pass-through rates in the industry.

Life Promises Term:

This new product is a traditionally underwritten term product for those who don't qualify for accelerated underwriting or require face amounts higher than \$1 million. It delivers the traditional underwriting features while implementing improved rates across most age ranges.

FINANCIALS



The ongoing pandemic and high level of claims continued to challenge us in 2021. However, we remain focused on leveling up our efforts to deliver exceptional customer experiences with a specific focus on improving lives, as well as maintaining a strong financial position in order to fulfill the promise we make with every policy we write.

Our 2021 results were solid and show we're on a positive trajectory for premium and surplus growth. We're confident in the ongoing rollout of our strategic profitable growth initiatives and operational realignment, which will drive us to reach new levels of success.

Thank you for your continued partnership and for putting your trust in EMCNL. Together we will push the boundaries of our performance to achieve our strategic goals and level up our service to improve lives.

– Chris Frazier, President & Chief Operating Officer, EMC National Life Company

FINANCIAL STRENGTH

EMCNL's "Excellent" Ratings Affirmed by AM Best

AM Best reaffirmed the ratings for EMC National Life:

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

The outlook of these credit ratings is stable. The following is an excerpt from the AM Best news release:

The ratings of EMCNL reflect its balance sheet strength, which AM Best categorizes as very strong... its strategic importance to its parent, EMCC, its diversified product profile of life and workplace products, strong risk-adjusted capitalization...

For the latest rating information, visit [ambest.com](https://www.ambest.com).

\$116 M

ADJUSTED CAPITAL & SURPLUS

\$844.9 M

TOTAL ASSETS

\$14.5 B

TOTAL LIFE INSURANCE IN FORCE

EMC National Life's total profits from 2010-2021 totaled **\$77 million**. The company's adjusted capital and surplus grew by \$1.1 million to **\$116 million**.

EMCNL has **\$14.5 billion** of life insurance in force.

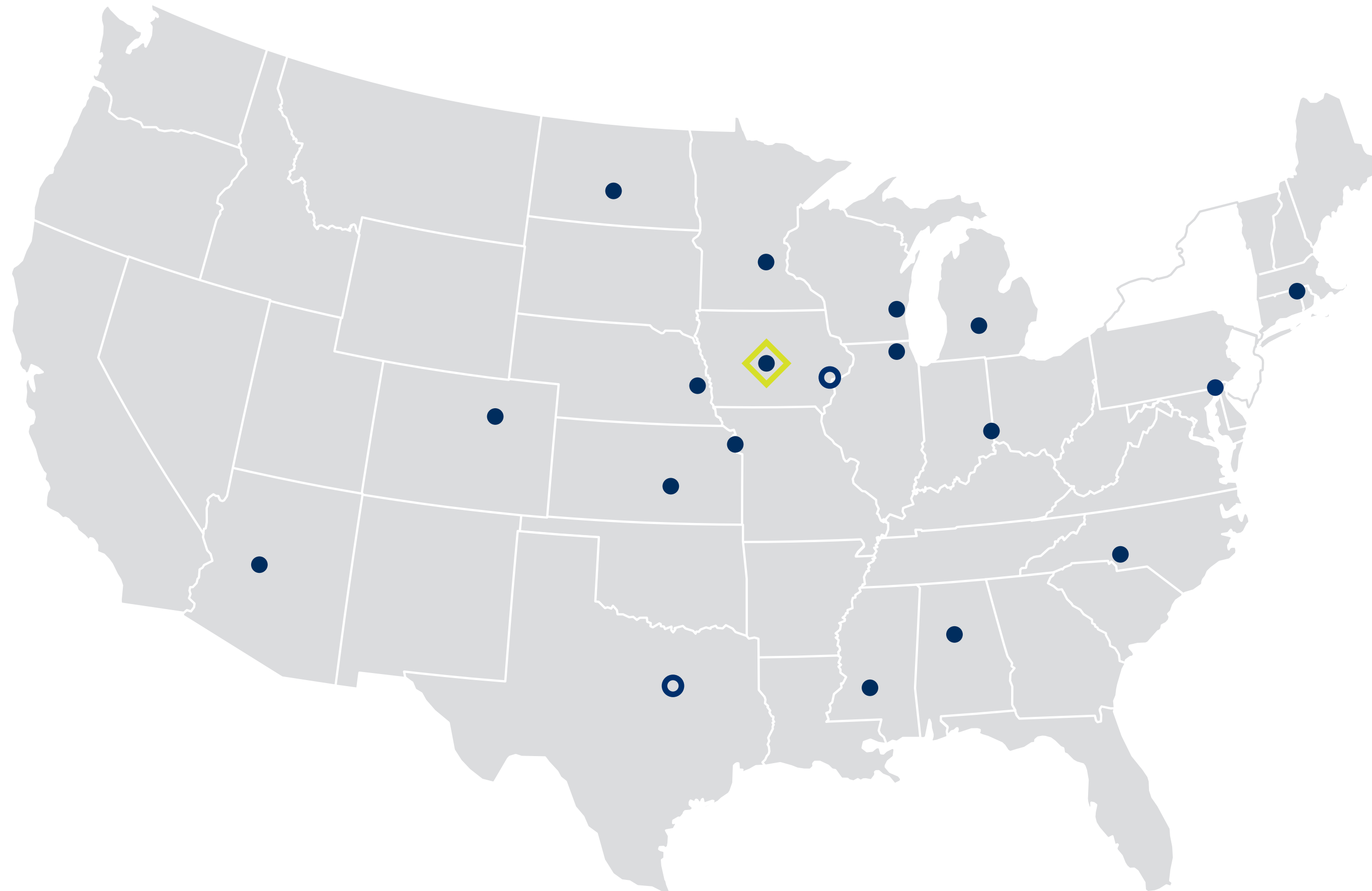
ASSETS	2021	2020	2019	2018	2017
Bonds	\$ 640,134,703	\$ 664,948,594	\$ 694,784,815	\$ 745,041,165	\$ 766,076,824
Stocks	\$ 38,133,943	\$ 32,934,423	\$ 32,770,495	\$ 30,183,019	\$ 34,443,958
Mortgage Loans	\$ 64,416,724	\$ 68,468,069	\$ 64,374,460	\$ 43,606,905	\$ 30,653,874
Real Estate	\$ 906,482	\$ 934,455	\$ 971,753	\$ 1,009,051	\$ 1,142,307
Policy Loans	\$ 16,610,585	\$ 17,785,546	\$ 17,980,413	\$ 18,606,191	\$ 19,460,840
Cash & Short-Term Investments	\$ 22,904,389	\$ 25,261,994	\$ 16,878,448	\$ 17,333,174	\$ 54,572,288
Other Invested Assets	\$ 9,124,663	\$ 9,202,331	\$ 9,101,041	\$ 5,645,449	—
Total Invested Assets	\$ 792,231,489	\$ 819,535,412	\$ 836,861,425	\$ 861,424,954	\$ 906,350,091
Other Assets	\$ 52,630,596	\$ 52,040,534	\$ 49,656,566	\$ 48,123,552	\$ 48,430,135
Total Assets	\$ 844,862,084	\$ 871,575,946	\$ 886,517,991	\$ 909,548,506	\$ 954,780,226

LIABILITIES	2021	2020	2019	2018	2017
Policy Reserves	\$ 693,152,384	\$ 715,055,826	\$ 732,746,820	\$ 753,814,196	\$ 782,540,348
Policy Dividend Liability	\$ 5,082,881	\$ 8,522,790	\$ 8,850,262	\$ 9,298,530	\$ 9,500,140
Other Policy Liability	\$ 9,293,900	\$ 10,818,526	\$ 8,471,822	\$ 7,350,194	\$ 7,707,429
Other Liabilities	\$ 30,789,927	\$ 31,497,767	\$ 31,838,302	\$ 23,463,720	\$ 49,456,238
Total Liabilities	\$ 738,319,092	\$ 765,894,909	\$ 781,907,206	\$ 793,926,640	\$ 849,204,155

CAPITAL & SURPLUS	2021	2020	2019	2018	2017
Capital & Stock	\$ 23,666,700	\$ 23,666,700	\$ 23,666,700	\$ 35,666,700	\$ 35,666,700
Surplus	\$ 82,876,291	\$ 82,014,337	\$ 80,944,085	\$ 79,955,166	\$ 69,909,372
Total Capital & Surplus	\$ 106,542,991	\$ 105,681,037	\$ 104,610,785	\$ 115,621,866	\$ 105,576,072
Total Liabilities, Capital & Surplus	\$ 844,862,083	\$ 871,575,946	\$ 886,517,991	\$ 909,548,506	\$ 954,780,226
Insurance In Force	\$ 14,488,683,407	\$ 14,325,451,000	\$ 13,958,721,000	\$ 13,423,442,000	\$ 13,133,818,000

EMC BRANCH OFFICES

EMC National Life is proud to be part of the EMC enterprise. Strong relationships and local service are what set us apart from other carriers. EMC team members are strategically located across the country, giving us a strong presence in more than 40 states.



CORPORATE OFFICE

- ◆ Des Moines

BRANCH OFFICES

- Birmingham
- Bismarck
- Charlotte
- Chicago
- Cincinnati
- Denver
- Des Moines
- Jackson
- Kansas City
- Lansing
- Milwaukee
- Minneapolis
- Omaha
- Phoenix
- Providence
- Valley Forge
- Wichita

SERVICE OFFICES

- Dallas
- Davenport



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