



EMC NATIONAL LIFE COMPANY

2020 Corporate Review



2020 was a year like no other.

It challenged the strength of all our relationships—professional and otherwise. We had to be flexible and innovative to continue providing the same uninterrupted, quality service our agents and customers depend on.

We exist to improve lives and *Make Life Easy* for our policyholders, agents and team members. Our mission is clear—we partner with our independent agents to protect the financial security of our policyholders by providing appropriate insurance solutions and superior service. Time and time again we deliver on a promise to support, remain stable and continually innovate so we can always move forward safely and securely.

[Click here](#) to view EMCNL's 2020 Corporate Highlights Video.

WE ARE RESILIENT

We've seen many changes at EMC National Life Company (EMCNL) throughout 2020, including changes to our leadership team, the transition of the majority of our team members to working remotely, and persevering through the COVID-19 Pandemic. This year was a journey and an education. Through collaboration and teamwork, we strengthened our foundation, created positive change and grew our skills, services and partnerships.

I'm excited to guide EMCNL into the future by building on the success of our continued commitment to independent agents and serving and responding to the needs of our policyholders and each other. With Focus, Discipline and Momentum, and our talented and knowledgeable team, we continue to ensure hopes and dreams.



A handwritten signature in black ink, appearing to read 'CF', written in a cursive, stylized script.

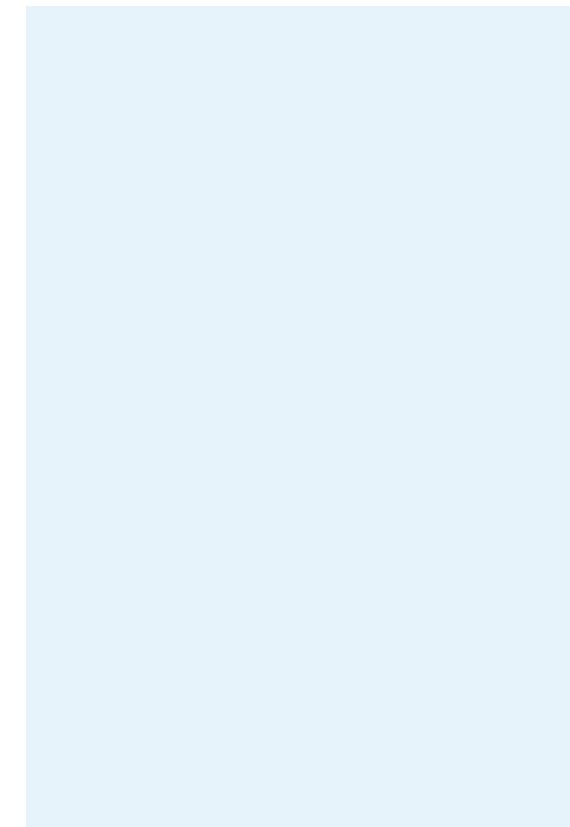
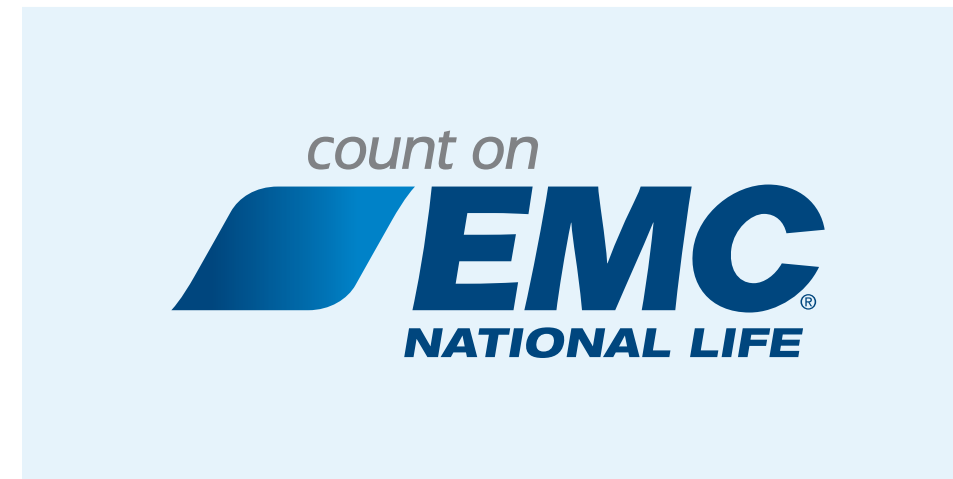
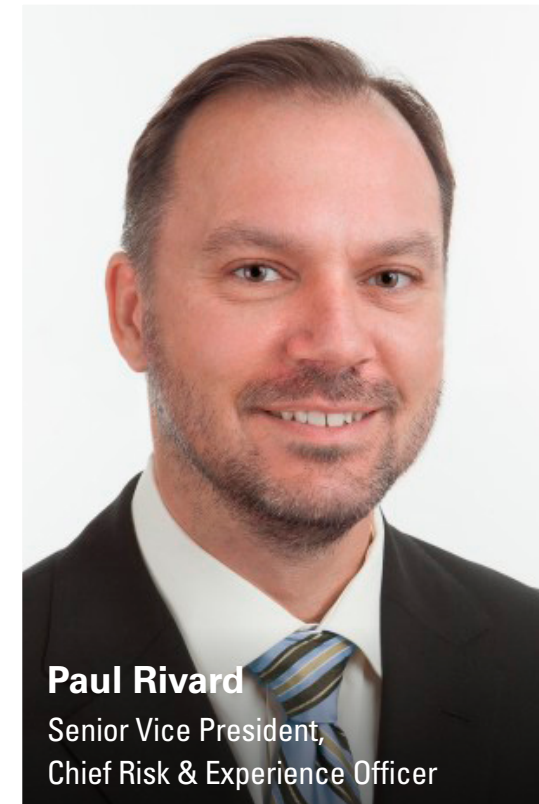
Chris Frazier, CPA, ALMI, ACS

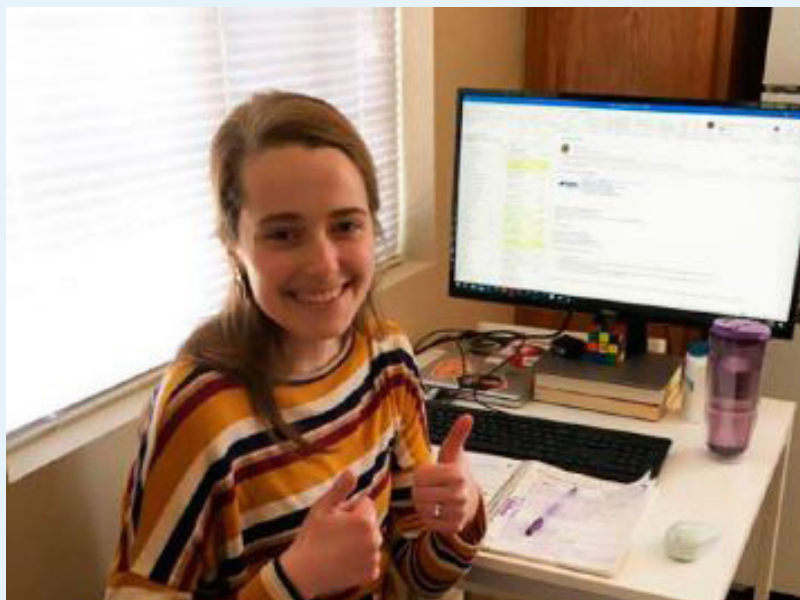
President & Chief Operating Officer

March 2021

LEADERSHIP

Ready for the future.





We are Grateful.

We are proud of our team members for upholding our commitment to exceptional service while balancing a new work environment and other challenges brought on by the pandemic. Our team continued to exemplify our *Count on EMC*® brand promise, exhibiting flexibility, dedication and resiliency to ensure we continued to meet the needs of our agents and policyholders.

With the majority of our team members working from home, EMCNL adapted quickly and proved our company could provide quality work in a virtual environment. In order to keep team members engaged and connected, we also provided platforms to allow for continued collaboration.

2020 HIGHLIGHTS:

- Focused on team member engagement by hosting virtual collaboration activities.
- Increased the number of company-wide team member meetings to maintain corporate culture.
- Found new ways to celebrate team member achievements.
- Fostered personal connections by deploying Microsoft Teams as a social platform.

Agents

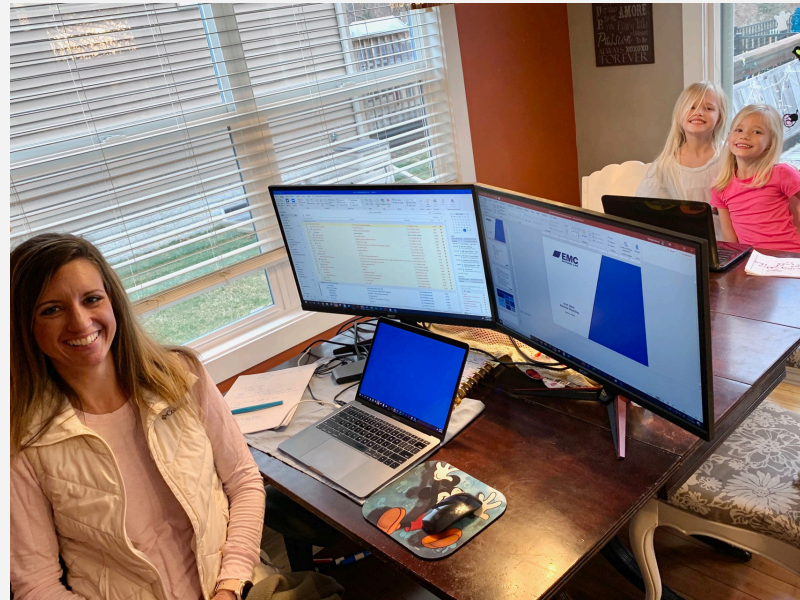
We are Stronger Together.

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.

Throughout 2020, our marketing team was challenged to work with our independent agents in a virtual setting. We continued to develop partnerships with P&C agencies to offer the best in complete insurance protection. The marketing team provided the necessary expertise and one-on-one support to quickly assist agents with their sales, underwriting and service needs. Our agents know they can *Count on EMC®*.

With our *Just Ask®* initiative, we help agents identify when and what to ask to help their customers find appropriate insurance solutions. We are constantly looking for opportunities to partner with our agents to simplify the sales process and *Make Life Easy*.





Innovation

We are Paving the Way.

Our culture of innovation inspires our team members to find new and better ways to collaborate and be successful. By combining technology, data and creative thinking, we can generate unique ideas and solutions for our evolving industry and find more efficient, faster and smarter ways to do business.

EMC National Life was poised to take on the pandemic with our full suite of accelerated products. We continue to adapt to the changing environment and improve our product portfolio. By building effective and meaningful industry partnerships, we inspire new ideas to help identify emerging trends and opportunities for profitable growth.

We are always looking for ways to innovate and pave the way by exploring, assessing and implementing technologies that can benefit our agency partners and policyholders and elevate our customer experiences.

We are Improving Lives.

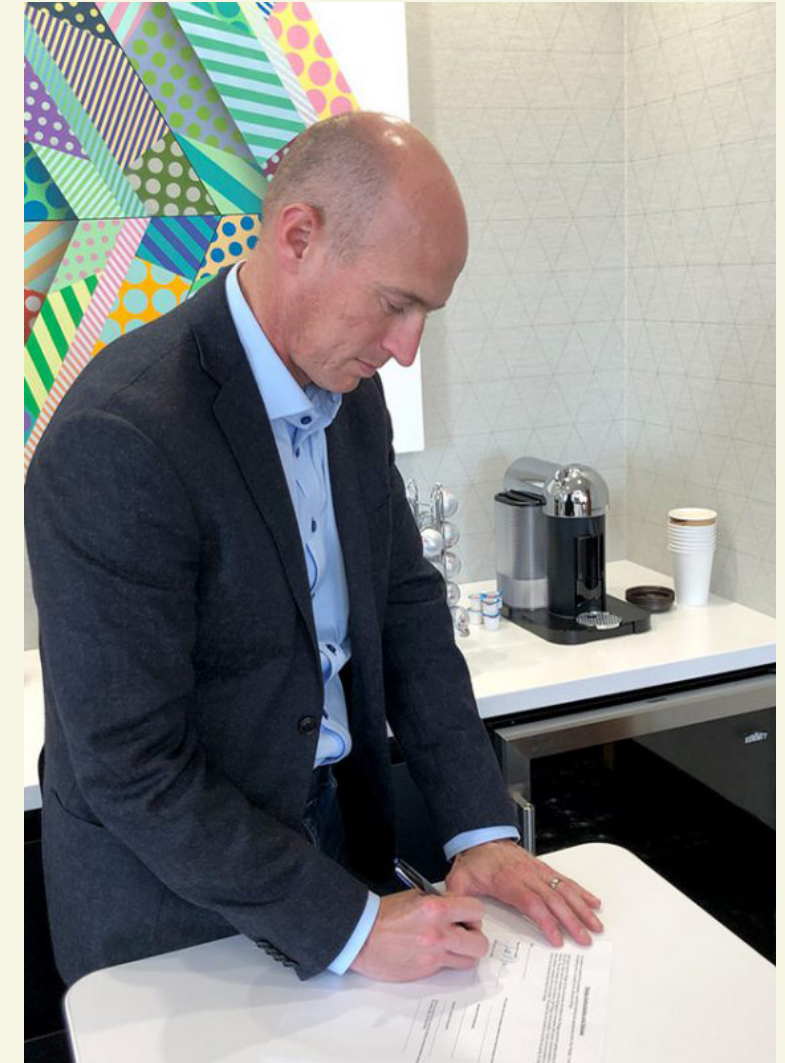
ASKING OUR CUSTOMERS

To satisfy our customers we must meet their expectations of fast, personalized service. We do this every day through the exceptional service provided by our knowledgeable team members. In 2020, 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.

EXCELLENT CLAIMS SERVICE

2020 was a difficult year, but we continued to stay dedicated to providing outstanding service to our policyowners. We approach each situation with empathy and strive to provide beneficiaries with both financial security and peace of mind. At EMC National Life, we are here to *Make Life Easy* for our policyowners during the pandemic and beyond.

In 2020, we paid **\$45 million** in life and annuity death benefits. All of our customers rely on us to provide outstanding claims service at a time when it is needed most. Our team members are there to help families and loved ones continue on after a loss. Survey results in 2020 show our claims service exceeded expectations.



We are One EMC.

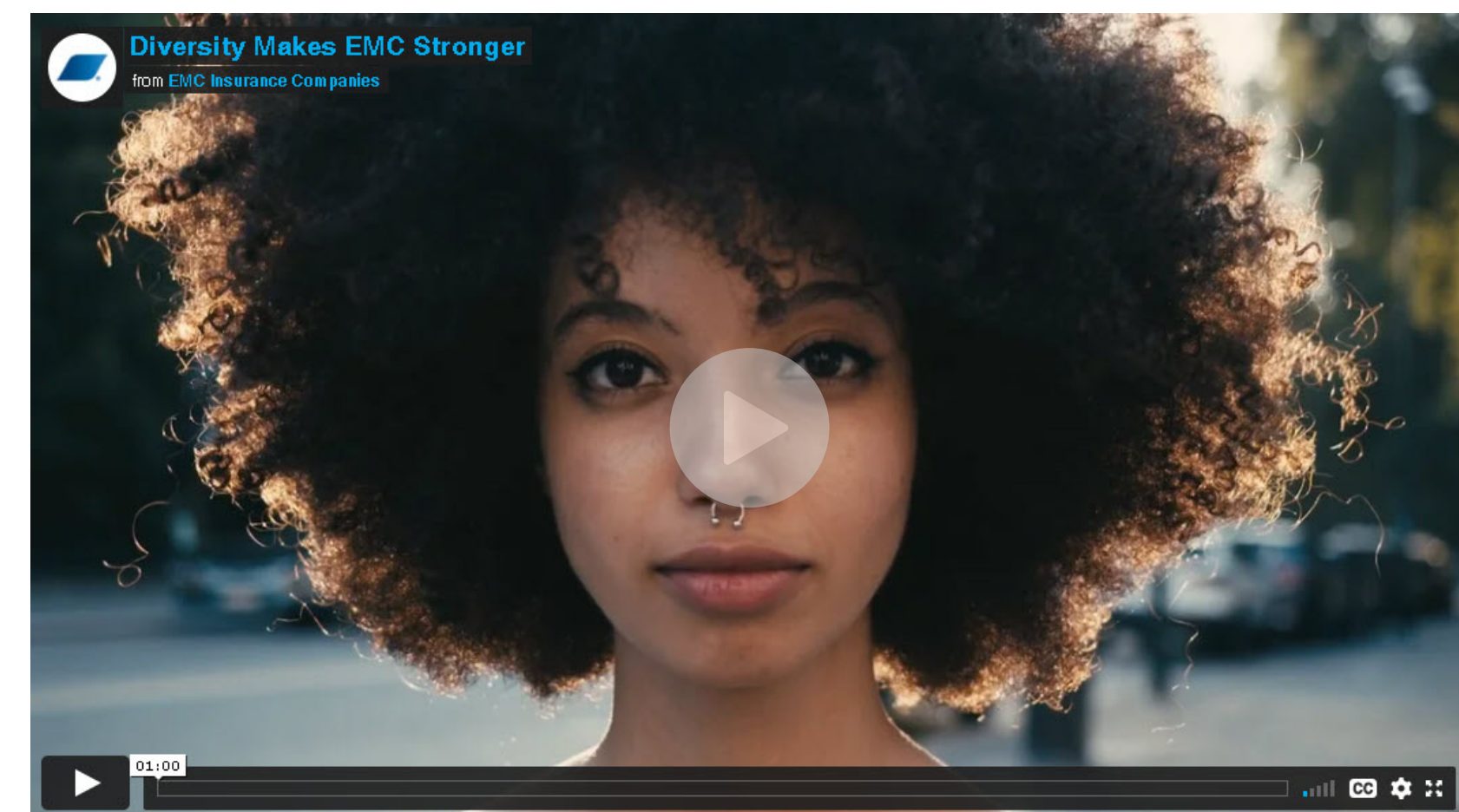
Our success depends on the immediate celebration and cultivation of a diverse workforce, an inclusive culture, and a strong presence in diverse communities and markets. **Diversity fuels innovation.**

It elevates conversations and contributes to better outcomes. We are a stronger company because of the various experiences, talents and gifts each team member brings to work every day. EMC is better positioned for growth because we include, invest in and develop the future, resilient leaders of this company.

EMC is committed to diversity, equity and inclusion (DE&I) and to fighting against racism and discrimination wherever it exists. Our leaders are committed to ensuring that we foster a company culture that values and respects DE&I in everything we do.

We are the great company we are because of our team members, who all have different life experiences, talents and gifts to share. We must value and respect those differences because they make us better. We stand together, because that is what it means to be one EMC.

DIVERSITY MAKES EMC STRONGER.



ADJUSTED CAPITAL & SURPLUS:

\$114,917,451

TOTAL ASSETS:

\$871,575,946

TOTAL LIFE INSURANCE IN FORCE:

\$14,325,451,000

2020 marked 11 years in a row of profitability for EMCNL, totaling **\$81 million** during that time. EMCNL's capital and surplus also grew by **\$1 million**, which contributed to **\$63 million in surplus growth** during those 11 years.

Financial Strength

FINANCIAL RATINGS REAFFIRMED

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, annuity and workplace products, strong risk-adjusted capitalization...

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

| ASSETS | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Bonds | \$ 664,948,594 | \$ 694,784,815 | \$ 745,041,165 | \$ 766,076,824 | \$ 788,055,472 |
| Stocks | \$ 32,934,423 | \$ 32,770,495 | \$ 30,183,019 | \$ 34,443,958 | \$ 36,420,253 |
| Mortgage Loans | \$ 68,468,069 | \$ 64,374,460 | \$ 43,606,905 | \$ 30,653,874 | \$ 36,746,254 |
| Real Estate | \$ 934,455 | \$ 971,753 | \$ 1,009,051 | \$ 1,142,307 | \$ 1,419,741 |
| Policy Loans | \$ 17,785,546 | \$ 17,980,413 | \$ 18,606,191 | \$ 19,460,840 | \$ 19,879,143 |
| Cash & Short-Term Investments | \$ 25,261,994 | \$ 16,878,448 | \$ 17,333,174 | \$ 54,572,288 | \$ 15,725,148 |
| Other Invested Assets | \$ 9,202,331 | \$ 9,101,041 | \$ 5,645,449 | -- | -- |
| Total Invested Assets | \$ 819,535,412 | \$ 836,861,425 | \$ 861,424,954 | \$ 906,350,091 | \$ 898,246,011 |
| Other Assets | \$ 52,040,534 | \$ 49,656,566 | \$ 48,123,552 | \$ 48,430,135 | \$ 49,638,552 |
| Total Assets | \$ 871,575,946 | \$ 886,517,991 | \$ 909,548,506 | \$ 954,780,226 | \$ 947,884,563 |

| LIABILITIES | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Policy Reserves | \$ 715,055,826 | \$ 732,746,820 | \$ 753,814,196 | \$782,540,348 | \$ 796,187,054 |
| Policy Dividend Liability | \$ 8,522,790 | \$ 8,850,262 | \$ 9,298,530 | \$ 9,500,140 | \$ 9,934,154 |
| Other Policy Liability | \$ 10,818,526 | \$ 8,471,822 | \$ 7,350,194 | \$ 7,707,429 | \$ 7,054,062 |
| Other Liabilities | \$ 31,497,767 | \$ 31,838,302 | \$ 23,463,720 | \$ 49,456,238 | \$ 30,730,899 |
| Total Liabilities | \$ 765,894,909 | \$ 781,907,206 | \$ 793,926,640 | \$ 849,204,155 | \$ 843,906,169 |

| CAPITAL & SURPLUS | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital & Stock | \$ 23,666,700 | \$ 23,666,700 | \$ 35,666,700 | \$ 35,666,700 | \$ 35,666,700 |
| Surplus | \$ 82,014,337 | \$ 80,944,085 | \$ 79,955,166 | \$ 69,909,372 | \$ 68,311,694 |
| Total Capital & Surplus | \$ 105,681,037 | \$ 104,610,785 | \$ 115,621,866 | \$ 105,576,072 | \$ 103,978,394 |
| Total Liabilities, Capital & Surplus | \$ 871,575,946 | \$ 886,517,991 | \$ 909,548,506 | \$ 954,780,226 | \$ 947,884,563 |
| Insurance In Force | \$ 14,325,451,000 | \$ 13,958,721,000 | \$ 13,423,442,000 | \$ 13,133,818,000 | \$ 12,980,363,000 |

Leadership

CHIEF EXECUTIVE OFFICER

Scott R. Jean, FCAS, MAAA

PRESIDENT & CHIEF OPERATING OFFICER

Chris D. Frazier, CPA, ALMI, ACS

EXECUTIVE VICE PRESIDENT

Cameron S. Torstenson, CLU
Chief Marketing Officer

SENIOR VICE PRESIDENTS

Kevin R. Lund, ALHC, FLMI, HIA, ACS
Policy & Technology Administration

Jenifer L. Mercer-Klimowski, JD, CPCU, AIC
Corporate Counsel

Paul R. Rivard
Chief Risk & Experience Officer

Mark A. Unkrich, FLHC, ALMI, FALU, ACS
Claims & Underwriting

VICE PRESIDENTS

Mark J. DeVries, FSA, MAAA, CERA
Chief Financial Officer

Mark C. Rowley, FSA, MAAA
Managing Actuary & Treasurer

ASSISTANT VICE PRESIDENTS

Steven C. Brown, FLMI, ACS, AIAA, AIRC, ALHC

Michelle M. Struck, ACS, ALMI

Sandra K. Struthers, ALMI, ACS, AIRC

ASSISTANT SECRETARY

David J. Pokorny, FLMI, ACS, AIRC

Board of Directors

CHAIRMAN OF THE BOARD

Scott R. Jean, FCAS, MAAA
CEO & President
EMC Insurance Companies
Des Moines, Iowa

VICE-CHAIRMAN OF THE BOARD

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

BOARD MEMBERS

Lauren L. Burgeson
Executive Vice 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 and CFO
BP Real Estate Group
Des Moines, Iowa

Leadership Changes

Scott Jean, CEO & President of EMC, was elected Chairman and Chief Executive Officer of EMCNL.

Chris Frazier was elected President & COO of EMCNL.

Paul Rivard joined the EMCNL team and was elected Senior Vice President, Chief Risk and Experience Officer.

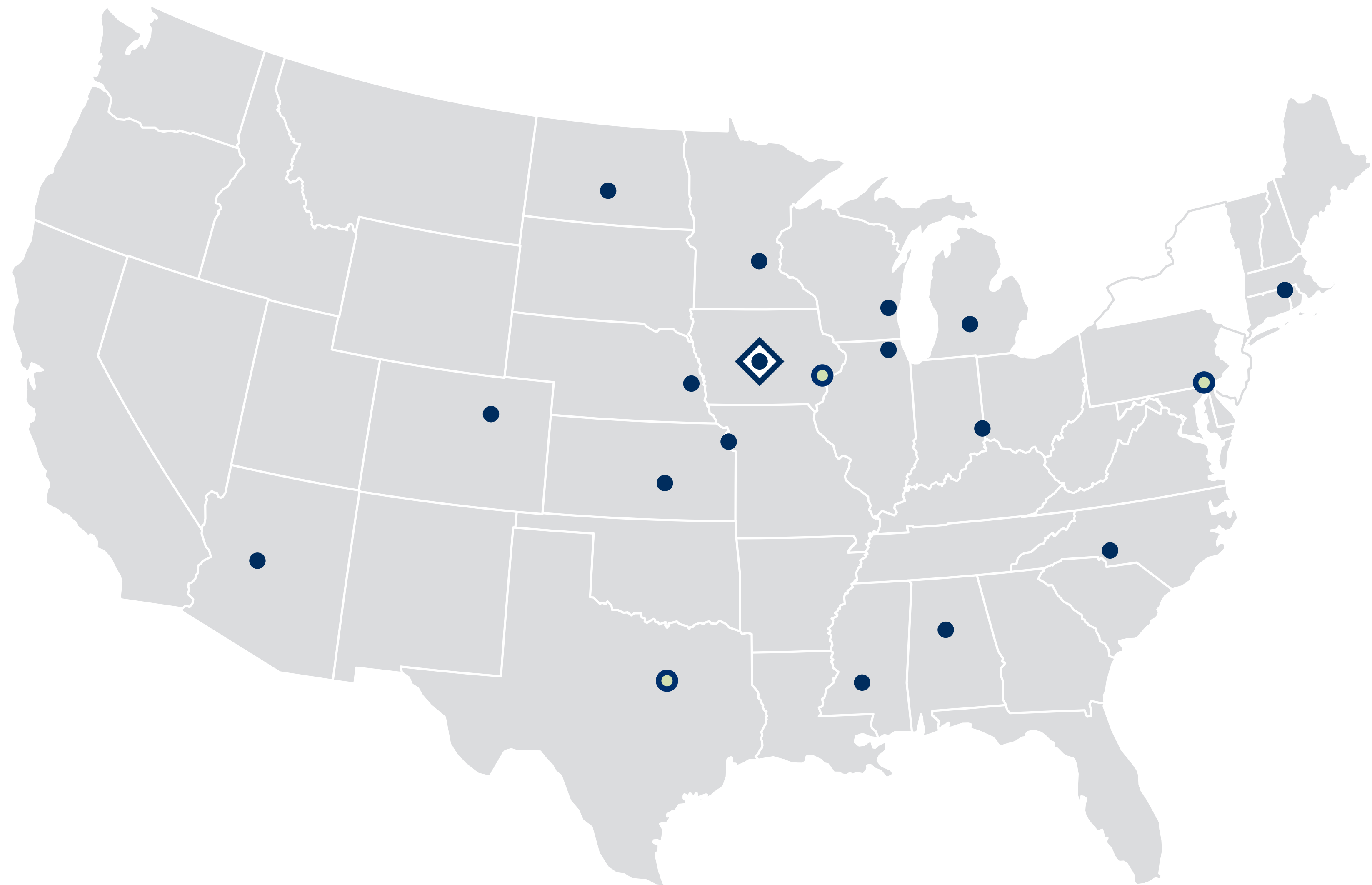
Mark DeVries was elected Vice President, Chief Financial Officer.

Mark Rowley, VP, Managing Actuary, was elected Treasurer.

Michelle Struck was elected Assistant Vice President, Corporate Secretary & Operations Manager.

Maggie White, EMC Senior Corporate Legal Counsel, was elected Assistant Corporate Counsel at EMCNL.

EMC BRANCH OFFICES



CORPORATE OFFICE

◆ Des Moines

BRANCH OFFICES

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

SERVICE OFFICES

- Dallas
- Davenport
- Valley Forge



Our mission is to partner with our independent agents to protect the financial security of our policyholders by providing appropriate insurance solutions and superior service.

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