



# WINDS OF CHANGE

Acting With Kindness and Care  
When You Need it Most

**FORWARD MUTUAL INSURANCE COMPANY**

ANNUAL POLICYHOLDERS MEETING, Friday, April 26, 2024

**2023 ANNUAL REPORT**

# To Our Policyholders



Sarah Mueller  
President & CEO

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*"Forward Mutual had one of the strongest years financially compared to the prior three years."*

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Date of Incorporation: November 6, 1875  
Fiscal Year End: December 31  
Annual Meeting: Fourth Friday in April

On behalf of the Directors of Forward Mutual Insurance Company, I am pleased to present the 149th Annual Report for the year ended 2023.

Our cover page shows a dandelion, a nuisance, but to a child we tell them to blow on the dried up seeds and make a wish. This past year Forward Mutual had a few dandelions pop up, but as the winds blew, the seeds of change were able to spread. Inflation, weather, the hardening insurance marketplace, reinsurance, and mergers are all seeds of change that were left for us to manage.

Forward Mutual had one of the strongest years financially compared to the prior three years. A fewer number of claims reported helped our bottom line.

Neighbor helping neighbor has always been our philosophy. When opportunity came for Forward Mutual to offer help to our mutual neighbors, we reached out. Bristol Town Insurance Company accepted our offer and merged into us on January 1, 2024.

The financial statements found on pages 4-6 comprise the statements of admitted assets, liabilities, and policyholders' surplus—statutory basis as of December 31, 2023, and the related statements of operations as compiled by CliftonLarsonAllen (CLA). The pro forma statements are what Forward Mutual and Bristol Town look like together as of year-end 2023. CLA's Independent Auditors' Report and opinion of Forward Mutual is not included in our Annual Report but is available on request.

As technology continues to evolve, we all want and expect a safer digital experience. We are now offering CyberPlus® protection. CyberPlus® protection helps guard you from the dangers of identity theft, cyberbullying, and data breach, just to name a few.

The rising reinsurance cost forces us to re-evaluate our rates and deductibles. In February 2024, we increased our minimum policy deductible to \$1,500 to match our wind/hail deductible for our farm, home, and dwelling property policies.

The Financial Stability Rating® (FSR) of A', Unsurpassed, assigned to Forward Mutual was re-affirmed as of March 21, 2024, based on Demotech's review of our statutory financial statement.



Our promise is to provide peace of mind to our clients through quality insurance products, risk management solutions, and exceptional personal service. We are committed to delivering on our promises and being there when it matters most. At Forward Mutual, we CARE. It is about collaboration, accountability, respect, and empowerment. Client satisfaction will determine our success.

Change can be hard. How we accept change makes the difference. If we positively adapt to it, we will be able to continue to move forward, embrace tomorrow's challenges, and focus on the opportunities they provide.

Forward Mutual Insurance Company

Sarah R. Mueller, PFMM  
President & CEO

## Our Supportive and Caring Staff



Jessica Hill  
Customer Care  
Assistant

Kelly Jacobson  
Customer Care  
Manager

Lois Wiedenhoef  
Chief Operating Officer

## MISSION STATEMENT

*Our promise is to provide peace of mind to our clients through quality insurance products, risk management solutions, and exceptional personal service.*



### DEDICATED TO PROTECTING WHAT MATTERS

What matters most to you matters to us. We offer a home and auto insurance bundle, so you can trust that the things you care about are covered with comprehensive protection. Trust in Tomorrow.® Contact us today.



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# PRO FORMA STATEMENT OF ADMITTED ASSETS, LIABILITIES, AND POLICYHOLDERS' SURPLUS—STATUTORY BASIS

December 31, 2023

	<u>FORWARD</u>	<u>BRISTOL</u>	<u>COMBINED</u>
<b>ADMITTED ASSETS</b>			
Cash and Invested Cash	\$ 439,449	\$ 530,562	\$ 970,011
Bonds	5,408,966	—	5,408,966
Stocks and Mutual Funds	1,914,062	161,789	2,075,851
Real Estate	231,989	—	231,989
Uncollected Premiums	190,486	6,419	196,905
Reinsurance Premiums Recoverable	—	1,277	1,277
Reinsurance Commission Receivable	—	3,521	3,521
Investment Income Due or Accrued	45,932	2,426	48,358
Fire Dues Recoverable	—	76	76
Federal Income Taxes Recoverable	9,400	—	9,400
Electronic Data Processing Equipment	1,069	—	1,069
Furniture and Fixtures	<u>1,658</u>	<u>—</u>	<u>1,658</u>
Total Assets	8,243,011	706,070	8,949,081
Less: Nonadmitted Assets:			
Furniture and Fixtures	<u>(1,658)</u>	<u>(4,798)</u>	<u>(6,456)</u>
TOTAL ADMITTED ASSETS	<u>\$ 8,241,353</u>	<u>\$ 701,272</u>	<u>\$ 8,942,625</u>
<b>LIABILITIES</b>			
Net Unpaid Losses	\$ 43,500	\$ 12,649	\$ 56,149
Unpaid Loss Adjustment Expenses	2,188	—	2,188
Commissions and Accounts Payable	72,631	1,605	74,236
Other Liabilities	23,591	52	23,643
Unearned Premiums	756,515	62,508	819,023
Premiums Received in Advance	42,241	—	42,241
Reinsurance Premiums Payable	63,918	—	63,918
Deferred Income Taxes	<u>19,000</u>	<u>—</u>	<u>19,000</u>
TOTAL LIABILITIES	\$ 1,023,584	\$ 76,814	\$ 1,100,398
<b>POLICYHOLDERS' SURPLUS</b>	7,217,769	624,458	7,842,227
TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS	<u>\$ 8,241,353</u>	<u>\$ 701,272</u>	<u>\$ 8,942,625</u>

# PRO FORMA STATEMENT OF OPERATIONS— STATUTORY BASIS

Year Ended December 31, 2023

	<u>FORWARD</u>	<u>BRISTOL</u>	<u>COMBINED</u>
<b>UNDERWRITING INCOME</b>			
Premiums Written	\$ 1,701,584	\$ 159,250	\$ 1,860,834
Net Unearned Premium Change	(61,924)	(25)	(61,949)
Reinsurance Ceded	<u>(549,613)</u>	<u>(77,289)</u>	<u>(626,902)</u>
Net Premiums Earned	1,090,047	81,936	1,171,983
<b>LOSSES INCURRED</b>			
Losses Incurred	784,242	9,790	794,032
Reinsurance (Recovered) Incurred	<u>(571,450)</u>	<u>148</u>	<u>(571,302)</u>
Net Losses Incurred	212,792	9,938	222,730
<b>NET LOSS ADJUSTMENT EXPENSES</b>	86,667	16,391	103,058
<b>OTHER UNDERWRITING EXPENSES</b>	687,592	149,209	836,801
Total Losses and Expenses Incurred	<u>987,051</u>	<u>175,538</u>	<u>1,162,589</u>
<b>NET UNDERWRITING INCOME (LOSS)</b>	102,996	(93,602)	9,394
<b>INVESTMENT AND OTHER INCOME</b>			
Investment Income Earned	208,577	18,073	226,650
Investment Expenses	(84,402)	(16,390)	(100,792)
Net Realized Capital Loss	(146,201)	(160,843)	(307,044)
Other Income	<u>29,391</u>	<u>2,841</u>	<u>32,232</u>
Net Investment and Other Income (Loss)	<u>7,365</u>	<u>(156,319)</u>	<u>(148,954)</u>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	110,361	(249,921)	(139,560)
<b>FEDERAL INCOME TAX EXPENSE</b>	<u>28,100</u>	<u>—</u>	<u>28,100</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 82,261</u>	<u>\$ (249,921)</u>	<u>\$ (167,660)</u>

## OUR PURPOSE

*To keep the promises that protect and enhance the well-being  
of our clients while building trusted relationships.*

# PRO FORMA STATEMENT OF POLICYHOLDERS' SURPLUS— STATUTORY BASIS Year Ended December 31, 2023

	<u>FORWARD</u>	<u>BRISTOL</u>	<u>COMBINED</u>
BALANCE, BEGINNING OF YEAR	\$ 7,541,976	\$ 1,000,916	\$ 8,542,892
Net Income	82,261	(249,921)	(167,660)
Net Unrealized Loss on Stocks and Mutual Funds, Net of Tax	(434,881)	(126,539)	(561,420)
Net Change in Deferred Income Taxes	27,000	—	27,000
Net Change in Nonadmitted Assets	<u>1,413</u>	<u>2</u>	<u>1,415</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 7,217,769</u></b>	<b><u>\$ 624,458</u></b>	<b><u>\$ 7,842,227</u></b>

Our success comes from the ambitious spirit we all share. It reflects our culture and how we work together to provide long-term financial security through our products and services. We will remain flexible and innovative for the changing needs of the people we care for.



## DEDICATED TO YOUR FUTURE

Your outlook on tomorrow is important to us, so we take pride in offering comprehensive insurance coverage that will keep you moving forward. Trust in Tomorrow.® **Contact a Forward Mutual agent today.**

**FORWARD**  
Mutual Insurance Company

forwardmutual.com | 920-261-6616



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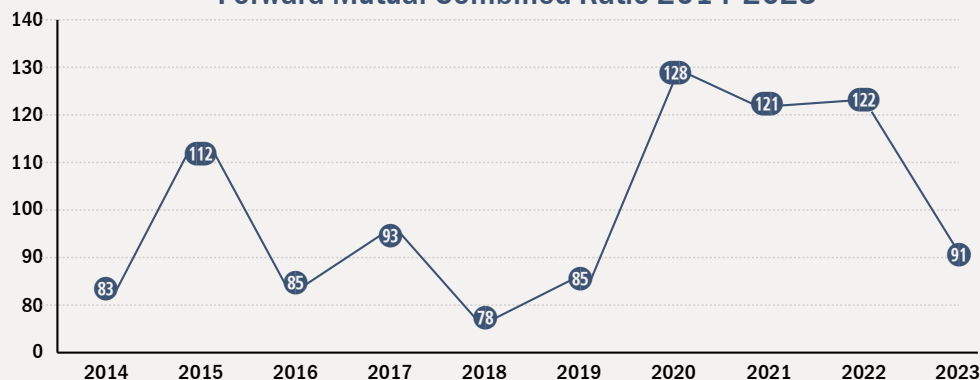
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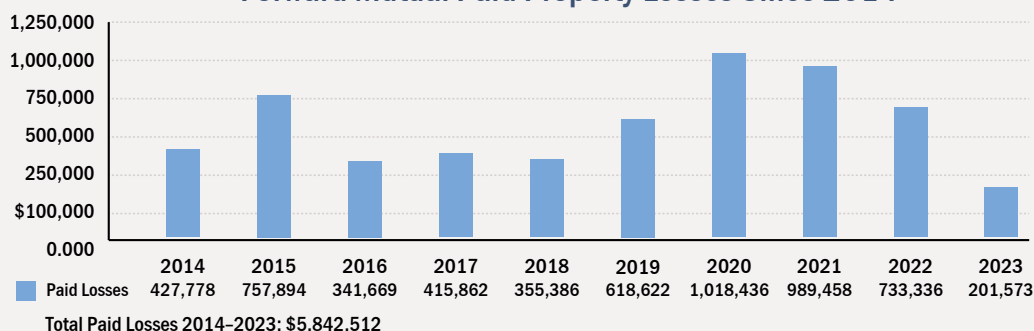
# Key Financial Figures

## Forward Mutual Combined Ratio 2014-2023



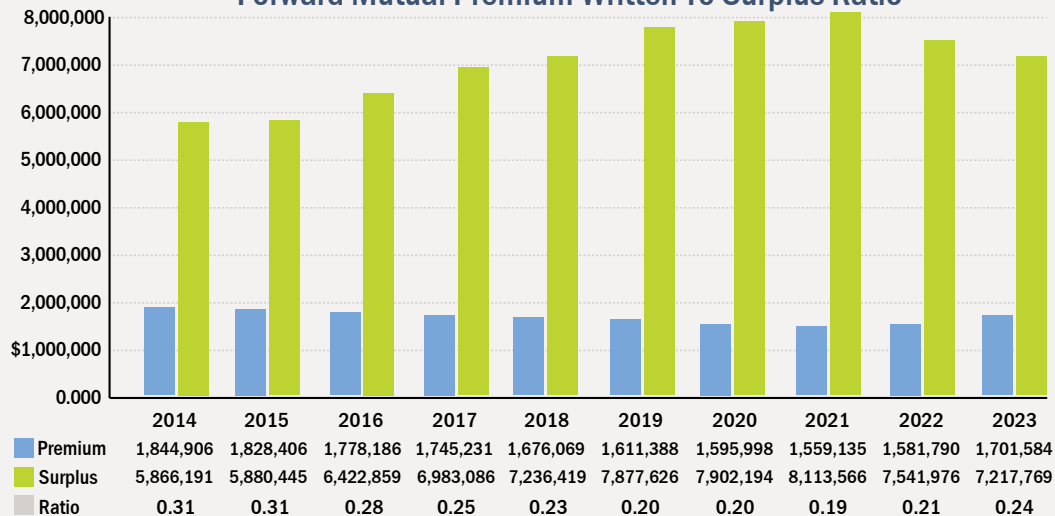
*Combined Ratio is a measure of profitability used to indicate how well an insurance company is performing in its daily operations. A ratio below 100% indicates the company is making an underwriting profit while a ratio above 100% means it is paying out more money in claims than it is receiving from premiums.*

## Forward Mutual Paid Property Losses Since 2014



*Paid Property Losses is the amount paid to policyholders to cover their claim of damage or loss.*

## Forward Mutual Premium Written To Surplus Ratio



*The Premium Written to Surplus Ratio measures financial strength and the ability to absorb above-average losses. The ratio is computed by dividing premium written by surplus. An insurance company's surplus is the amount by which assets exceed liabilities. The lower the ratio, the greater the company's financial strength. Forward Mutual is sound, secure and strong for the member policyholders we serve.*

# Our Board of Directors

## Board of Directors



*Roger L. Degner  
Chairman*



*Mark D. Mallow  
Vice-Chairman*



*David W. Blank  
Sec.-Treas.*



*Scott R. Rupnow*



*Randall L. Tietz*



*Randall L. Wegner*



*Dale H. Zastrow*

Forward Mutual's nominating committee works to maintain a dedicated leadership. This year the committee announces two members seeking re-election.

### Mark D. Mallow

Mark has been a director since 2008 and serves as vice-chairman of the board. He has completed his NAMIC Farm Mutual Director Certification and participates in WAMIC conventions, director seminars, and the Congressional Contact Program.

For 35 years Mark worked in a variety of capacities for Ixonia Bank, including vice president. He and his wife Diane own Watertown Bowl Inc., and have been married for 37 years. They have two children and four grandchildren who all reside in Watertown. Mark enjoys traveling, bowling, darts, golf, and spending time with his family.



### Dale H. Zastrow

Dale has served as a director since 2008. He has completed his NAMIC Farm Mutual Director Certification and participates in NAMIC and WAMIC conventions, director seminars, and district meetings.

Dale and his wife Nancy own two farms. They have three children and six grandchildren. Dale is active in his church and community. He enjoys fishing, hunting, traveling, gardening, and spending time with his family.



### In Memory of Donald Bohn

With great reverence, we remember our longtime director and officer Donald Bohn, who passed away November 8, 2023.

Don began serving mutuals in 1984 as a director for Watertown Mutual. In 2010 he was elected to serve as treasurer and was a guiding force in the merger between Ixonia and Watertown under the new name of Forward Mutual Insurance Company.

As a lifelong dairyman, Don represented the farming tradition to which Forward Mutual pays tribute. Don believed in the importance of education and keeping current with industry trends. In his words, "you have to move forward to survive."



# Winds of Change

## Bristol Town Insurance Merges With Forward Mutual

In 2023, when Wisconsin Reinsurance Corporation (WRC), a key reinsurance provider, was placed into liquidation by the Wisconsin Office of the Commissioner of Insurance, many Wisconsin mutuals were left without reinsurance. Fortunately, Forward Mutual was there to help.

As a domestic mutual in good standing, Forward Mutual is able to operate throughout Wisconsin. Upon learning of WRC's liquidation, Forward president and CEO Sarah Mueller reached out to area companies, which led to discussions with Bristol Town Insurance Company, of Sun Prairie.

On January 1, 2024, Bristol Town Insurance Company officially merged with and into Forward Mutual Insurance Company.

### A Tradition of Dedication and Caring

Bristol Town Insurance Company is a longstanding company dedicated to its community. It was organized in 1875 as Farmers Mutual Fire Insurance Company of the Town of Bristol. It changed to its current name in 1932. Since its beginnings, the company has provided affordable property and casualty coverage to its local policyholders.

As secretary/treasurer/director/agent of the mutual, Bruce P. Krebs is the fifth generation of his family involved in the mutual—his great-great-grandfather, J.M. Krebs was a founding member. Bruce remembers as a child accompanying his father, secretary/treasurer/director Paul Krebs, and the mutual's president to adjust claims. His father always asked the policyholders if they were satisfied. This concern is one Bruce has carried with him throughout his leadership.

"Merging with Forward Mutual is good for the policyholders," says Bruce. "We were there for them all these years. We have to continue doing what's right for them now."

Forward Mutual is proud to join forces with such a caring company. Together, this new relationship looks forward to providing long-term financial security through our quality products and services, and working with Bruce as an agent for FMIC Solutions Inc.



*Bruce P. Krebs  
Bristol Town Insurance Company  
FMIC Solutions Inc.*

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### OUR VISION

*To be recognized by our agents, policyholders, and the community as forward thinking, forward moving. Our company was built on a foundation of mutual trust and respect. We are committed to delivering on our promises and being there when it matters most. Client satisfaction will determine our success.*

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# From Bristol to Forward:

*"You've gotta give back."*

—Bruce P. Krebs



*Each year the Krebs Family keeps the bases loaded and bleachers filled with a light-up Santa and snowmen.*

As a director for Bristol Town Mutual Insurance Company, Bruce P. Krebs is all about caring for the people of his community. Even deeper is the passion for his family and the farm his family has owned since 1939. So much so, that in 2004 when his sons, Ryan, 10, and Justin, 8, were denting the metal shed while playing baseball, he built them their very own practice field.

"The boys would be with me all summer on the farm," tells Bruce. "I'd have them play in front of the shed so I could keep an eye on them. But then they started denting the shed, so I said we should fence off the pasture and build a practice field. Well, kids don't let you forget when you say things like that."

Ryan and Justin worked hard along with their father to build their field. They mowed what had previously been a pasture and helped bale the cut grass. They developed base paths and a mound. When they began losing too many foul balls across the road, they added a 10-foot backstop.

Over the years ingenuity has added to the field. Bruce was able to put in foul posts by purchasing a discarded prototype and sawing it in half. He and the boys installed a used scoreboard from the community's Sheehan Park, as well as an outfield fence.

## Giving to the community

From all this, hundreds of kids have benefitted from the opportunity to play baseball. During some summers, up to 15 different Sun Prairie Little League teams were holding practices on the "Krebs Field; Home of the All Stars Ryan & Justin." In 2012, 2013, and 2014, his sons' high school baseball teams won state championships.



These days, the field sports a bullpen and a batting cage with used seats from Milwaukee County Stadium. Part of a shop building has also been converted into an indoor area for batting practice, complete with a television, stereo, and refrigerator.

"You've gotta give back," says Bruce. "I don't have a lot of time to give, but I do have land. Our area needed more fields for practice. This was something I could offer the community."

# A Dedication to Community



Forward Mutual values its relationship with the people and businesses of our community.





## Forward Mutual Insurance Company

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