

Annual Report



ROCKINGHAM
INSURANCE



HOME OFFICE EMPLOYEES

The Board of Directors, agents, and employees thank you for your continued trust and the opportunity to serve your insurance needs.

Wherever you are, we're here.

To our policyholders:

In 1869, several property owners met at a small church in Port Republic, Virginia, in the heart of the Shenandoah Valley to address a critical issue. They needed to protect their assets from loss and insurance coverage was not readily available in the Valley. Community members became members of the mutual company and had fire policies that covered structures such as mills, silos, barns, and homes. In 2019, Rockingham Insurance is honoring our 150th anniversary by giving back to the communities that have supported us.

Over the years our products have evolved to meet the changing needs of our customers. Rockingham Insurance is dedicated to modernizing our technology by implementing a new system for our customers, agents and internal teams. This will enable us to control costs, and thereby keep rates as affordable as possible, by standardizing policy administration, billing management, and claims processes. We recently opened an office in Richmond to offer commercial lines coverage for both small and enterprise-level businesses. Our Specialty Insurance division, operating throughout the country for several years, provides insurance to policyholders that would otherwise have difficulty obtaining insurance protection. This diversification helps spread our risk of loss from the geographically concentrated Shenandoah Valley region.

Rockingham Insurance holds an "A" Excellent rating with A.M. Best Company, a highly regarded assessor of the financial and management stability of insurance companies.

We remain committed to providing reliable coverage for your home and auto, business or farm. We're here to help. Service means honoring the commitments we make to our customers.

Robert Lyon, President & Chief Executive Officer

EXECUTIVE OFFICERS

Robert Lyon, President and CEO
William Bayer, Marketing
Shawn Clavon, Commercial Lines
Chad Covelli, Analytics

Marcy Engle, Human Resources
Steven Kemp, Underwriting
Lou Pugh, Claims
John Schwertfuehrer, Finance

Deborah Van Horn, Specialty
Eugene Vatnik, Information Technology

BOARD OF DIRECTORS

Gene Berry — Insurance
Michelle Cox — Publishing
Douglas Driver — Construction
Roger Higgins, III — Insurance

Anne Keeler — Education
Robert Lyon — Insurance
Timothy O'Shea — Insurance

Todd Putney — Healthcare
Christopher Runion — Advertising
Pamela Turner — Financial Services

BY THE NUMBERS

106.1

Combined Ratio

Combined ratio is a standard measurement of an insurance company's underwriting profitability. A combined ratio of less than 100 generally indicates an underwriting profit.

67,300+

Policies serviced

11,760+

New policies added

70+

Charitable organizations supported

BALANCE SHEET

CONSOLIDATED BALANCE SHEET (IN 000'S) | AS OF DECEMBER 31, 2018 AND 2017

ASSETS	2018	2017	LIABILITIES & SURPLUS	2018	2017
Bonds	\$ 88,411	\$ 85,102	Losses & Loss Adjustment		
Common Stocks	26,825	30,489	Expenses	\$ 23,790	\$ 18,265
Cash & Short Term Investments	7,305	8,174	Unearned Premiums	34,249	31,491
Real Estate	976	684	Other Liabilities	8,495	10,687
Uncollected Premiums	12,784	11,433	Total Liabilities	66,534	60,443
Other Assets	3,533	1,379	Surplus	73,300	76,818
TOTAL ASSETS	\$ 139,834	\$ 137,261	TOTAL LIABILITIES & SURPLUS	\$ 139,834	\$ 137,261

Buffamante Whipple Buttafaro, P.C. conducts an annual independent audit of the companies' results. Rockingham Insurance is comprised of parent company Rockingham Mutual Group, Inc. and subsidiaries Rockingham Group, Inc., Rockingham Insurance Company, Rockingham Specialty, Inc., Rockingham Casualty Company, and Rockingham Mutual Service Agency, Inc.

2019 A MILESTONE YEAR

CELEBRATING A SESQUICENTENNIAL ANNIVERSARY:

Rockingham is commemorating the 150th anniversary by giving back to the communities we serve.

Employee Charitable Giving

In addition to annual charitable giving, we are donating \$150 to 72 employee selected non-profit charities.

EmpowerHR

Collaborative software tool

Partnership with United Way of Harrisonburg & Rockingham County supporting local non-profit organizations,

Making Wishes Come True

Giving back to Make-A-Wish

One monthly winner wins \$150 and is entered to win a grand prize for a trip from here to anywhere. In addition, a Make-A-Wish of Virginia child will be granted a trip.

We are members of the following insurance-related organizations:

DriveSmart Virginia | Insurance Institute for Business & Home Safety (IBHS)
Insurance Institute for Highway Safety (IIHS) | National Association of Mutual Insurance Companies (NAMIC)
Professional Insurance Agents of VA and DC (PIA) | Pennsylvania Association of Mutual Insurance Companies (PAMIC)
Property Casualty Insurers Association of America (PCI) | Virginia Association of Mutual Insurance Companies (VAMIC)

