

AM Best Rating Services

Brotherhood Mutual Insurance Company

BestLink  AMB #: 000221 NAIC #: 13528 FEIN #: 350198580

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[View Additional Address Information](#)

Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.



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Best's Credit Ratings

Financial Strength View Definition

Rating (Rating Category):	B++ (Good)
Outlook (or Implication):	Stable
Action:	Downgraded
Effective Date:	April 11, 2024
Initial Rating Date:	June 30, 1953

Best's Credit Rating Analyst

Rating Office: A.M. Best Rating Services, Inc.

Senior Financial Analyst: Quentin Harris

Director: Christopher Draghi, CPCU

Note: See the Disclosure Information Form or Press Release below for the office and analyst at the time of the rating event.

Long-Term Issuer Credit View Definition

Rating (Rating Category):	bbb+ (Good)
Outlook (or Implication):	Negative
Action:	Downgraded
Effective Date:	April 11, 2024
Initial Rating Date:	May 18, 2007

Disclosure Information

Disclosure Information Form

View AM Best's [Rating Disclosure Form](#)

Press Release

[AM Best Downgrades Credit Ratings of Brotherhood Mutual Insurance Company](#)

April 11, 2024

Financial Size Category View Definition

Financial Size Category: IX (USD 250 Million to Less than 500 Million)

u Denotes [Under Review Best's Rating](#)

Rating History

Best's News

BEST'S CREDIT RATING ACTION

Best's News & Research Service - March 15, 2024 09:43 AM (EDT)

AM Best Places Credit Ratings of Church Mutual Insurance Group's Members Under Review With Negative Implications

March 15, 2024 09:43 AM (EDT)



//BestWire// - **AM Best** has placed under review with negative implications the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of "a" (Excellent) of Church Mutual Insurance Company, S.I. and its wholly owned subsidiaries, CM Regent Insurance Company and CM Vantage Specialty Insurance Company All companies are domiciled in Merrill, WI and collectively referred to as Church Mutual Insurance Group (Church Mutual).

The Credit Ratings (ratings) of Church Mutual were placed under review with negative implications following material erosion in surplus and risk-adjusted capital as measured by Best's Capital Adequacy Ratio (BCAR). Surplus erosion was primarily a function of significant adverse loss reserve development related to weather losses, liability losses and defense costs, particularly as litigation and social inflation impacted results. Performance was also affected by current accident year storm losses and increased loss cost severity amid inflation and supply chain issues. Church Mutual is pursuing several capital management strategies to improve its capital position, including capital contributions in the near term, while concurrently engaging reinsurance and surplus relief options. The group is also making changes to its underwriting profile intended to reduce exposure on lines of business that have contributed to underwriting and reserve volatility.

Nonetheless, the potential for future adverse loss reserve development remains a rating concern. Plans are expected to materialize and be enacted over the near term. In the absence of sufficient anticipated improvement and execution on said plans, the ratings will likely be downgraded.

The ratings will remain under review with negative implications as the group's capital management strategies are implemented and AM Best analyzes the impact of such actions. Given the degree of capital erosion, negative rating action remains a possibility.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#). AM Best is a global credit rating agency, news publisher and data analytics provider specializing in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

Property And Casualty Insurance

Wisconsin

Press Release

Property And Casualty Insurers

Best's Credit Rating Action

BEST'S CREDIT RATING ACTION

AM Best Affirms Credit Ratings of Ameritas Life Insurance Corp. and Its Subsidiary

May 15, 2024 12:05 PM (EDT)

PROGRAM BUSINESS

Kayna CEO: Huge Potential in Niche Embedded Insurance Programs

May 15, 2024 11:20 AM (EDT)

BEST'S CREDIT RATING ACTION

AM Best Revises Outlooks to Negative for Arrow Mutual Liability Insurance Company

May 15, 2024 10:54 AM (EDT)

FEBRUARY 08, 2024 04:26 PM (EST)

AM Best Removes From Under Review With Negative Implications and Affirms Credit Ratings of GuideOne Insurance Companies' Members

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FOR IMMEDIATE RELEASE

OLDWICK - FEBRUARY 08, 2024 04:26 PM (EST)

AM Best has removed from under review with negative implications and affirmed the Financial Strength Rating (FSR) of A- (Excellent) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of "a-" (Excellent) of GuideOne Insurance Company and its wholly owned subsidiaries, collectively referred to as GuideOne Insurance Companies (GuideOne). The outlook assigned to these Credit Ratings (ratings) is negative. All companies are domiciled in West Des Moines, IA. See below for a detailed listing of all companies and ratings.

The ratings reflect GuideOne's balance sheet strength, which AM Best assesses as very strong, as well as its marginal operating performance, neutral business profile and appropriate enterprise risk management.

These rating actions follow a strategic capital investment of \$200 million made by Bain Capital Insurance (Bain), which closed on Dec. 29, 2023. The Mutual Group (TMG) was created by Bain's acquisition of GuideOne Insurance Company's operational platform. TMG will act as a full-service insurance operations service provider for small to mid-sized mutual insurance operations, with GuideOne being the first client for the new enterprise. The investment puts GuideOne in a much stronger capital position following significant surplus deterioration in 2022, driven by a net loss along with unrealized capital losses, as well as some deterioration through third quarter 2023 due to continued underwriting losses and other losses.

The negative outlooks reflect the continued pressure on GuideOne's balance sheet strength assessment as unprofitable underwriting performance related to the specialty business has negatively impacted its capital levels in recent years. AM Best recognizes the significant actions the company has recently taken, including the exit of the specialty business, to improve its capital position and underwriting results.

The FSR of A- (Excellent) and the Long-Term ICRs of "a-" (Excellent) have been removed from under review with negative implications with a negative outlook assigned for the subsidiaries of GuideOne Insurance Company:

GuideOne Specialty Insurance Company