AM Best Affirms Frankenmuth Insurance’s “A” Rating

To our Agency Partners:

I am pleased to announce that AM Best has affirmed Frankenmuth Insurance’s Financial Strength Rating (FSR) of “A” (Excellent) and our long-term Issuer Credit Rating of “a+.” The ratings signify excellent company practices related to our balance sheet, underwriting, policyholders’ surplus and enterprise risk management. For both ratings, the outlook was revised to stable from positive.

Best’s rationale for the FSR rating reflects Frankenmuth’s balance sheet strength, categorized at the “strongest level,” along with conservative loss reserving and investment philosophies. In addition, Frankenmuth Insurance was commended for favorable underwriting results and consistent investment income contributing to continued surplus growth. The company was also recognized for strong agency relationships, diversified product mix in both commercial and personal lines and solid regional market presence. Finally, Frankenmuth was praised for its continued investments in technology, supporting enhanced efficiencies and effective operational processes and making cyber security an enterprise-wide priority.

The outlooks reflect the strongest level of risk-adjusted capitalization and favorable operating results over the five-year period. Underwriting results have been generally positive in recent years, with the exception of 2019 which was impacted by higher claims severity, development of prior-year claims reserves and increased losses from natural catastrophes.

The FSR encompasses Frankenmuth Mutual Insurance Company and its property and casualty insurance subsidiaries: Ansur America Insurance Company, ASure Worldwide Insurance Company, Fortuity Insurance Company and Patriot Insurance Company.

Patriot Life Insurance Company was separately given a Financial Strength Rating of “A” (Excellent). The subsidiary received a long-term Issuer Credit Rating of “a.” Both ratings were affirmed with stable outlooks.

Since 1868, Frankenmuth Insurance has been committed to financial stability and safeguarding our promises to policyholders. AM Best has consistently recognized these efforts with an “A” rating or higher every year since 1979.

We remain committed to our long-term goal of steady, stable and consistent profitable growth. Our team continues to invest in product enhancements and capabilities that improve the ease of doing business for you and your staff as we strive to remain your insurer of choice. As we navigate the challenges of a worldwide pandemic, together we will continue to provide peace of mind to help families and businesses remain calm during these uncertain times. We truly value and appreciate everything you have done to contribute to our success. Thank you.

In partnership,

John S. Benson

Chairman of the Board & CEO