

RAM MUTUAL INSURANCE 2025 ANNUAL FINANCIAL REPORT

APRIL 8, 2026 | HOLIDAY INN & SUITES - ST. CLOUD, MN

From The President's Desk

RAM experienced exceptional results in 2025, driven by favorable weather patterns, disciplined underwriting, and strong operating performance.

The year began with another mild winter and no significant winter peril loss events. The second quarter included tolerable severe convective storm activity, with one catastrophe event occurring June 19–22, including a derecho that swept across North Dakota and into northern Minnesota. The third quarter was quiet with no catastrophe loss events, and the year concluded with a traditionally favorable fourth quarter. Overall, 2025 weather conditions were notably improved, with approximately 30% fewer claims compared to our five-year average.

For the year, RAM posted pre-tax and after-tax profits of \$14,895,000. Net income, along with statutory adjustments, increased policyholder surplus by \$14,662,000, bringing total surplus to \$81,294,000. The combined ratio ended at 83.0%, consisting of 57.4% loss and LAE and 25.6% operating expenses.

Our member company assumed reinsurance program experienced another excellent year, with positive results across all loss layers, closely mirroring our 2024 performance. While losses were elevated in the first half of the year, results improved significantly in the second half. RAM's excess of loss reinsurance program continues to provide strong capacity and protection for both RAM and our member companies. Our roster of member companies remained at 51; in 2026, RAM welcomed West Central Mutual as a new member and the merger of Kingtown Farmers Mutual and Garfield Farmers Mutual.

Strong operating results enabled RAM to pay guaranty fund interest for 2025. Upon receiving approval from the Minnesota Department of Commerce, interest payments were issued in March, 2026. We thank our member companies for their continued support and confidence in RAM.

Direct written premium increased 2.6% to \$113.5 million, while assumed premium increased 6.3% to \$18.4 million. Overall, gross written premium increased approximately 3.0% to \$131.7 million. Direct policy count declined by 1,368 policies, including a reduction of 1,628 in Minnesota, partially offset by an increase of 260 policies in North Dakota. With strong results and signs that the hard market was beginning to moderate, RAM removed underwriting restrictions on new business at the start of the fourth quarter.

The industry is showing clear signs of stabilization and improvement across the Midwest. Underwriting discipline and pricing actions are restoring market balance, and improved weather patterns have strengthened capital positions across the industry. Loss prevention and resilience remain top priorities, and RAM will continue to lead in proactive risk management initiatives.

I would like to extend my sincere appreciation to our member companies, agents, and policyholders for your continued loyalty and support. On behalf of the Board of Directors and staff, we wish you a happy, healthy, and prosperous 2026.

Josh M. Lowe President & CEO

RAM BOARD OF DIRECTORS

DOUG OACHS	CHAIRMAN	TIM IVERSON	VICE CHAIRMAN
JIM SVIR	SECRETARY	STEVE KNUTSON	DIRECTOR
AARON GROVE	DIRECTOR	NICK HAGER	DIRECTOR
GARY SWEARINGEN	DIRECTOR	JOSH LOWE	PRESIDENT & CEO
BRAD KULLOT	DIRECTOR	HALLIE RADLOFF	DIRECTOR

RAM MUTUAL INSURANCE 2025 ANNUAL FINANCIAL REPORT

APRIL 8, 2026 | HOLIDAY INN & SUITES - ST. CLOUD, MN

STATUTORY INCOME STATEMENT (in thousands) FOR YEARS ENDING DECEMBER 31, 2024 AND 2025

<u>Underwriting Operations</u>	<u>2025</u>	<u>2024</u>
Net Premiums Earned:		
Direct Premiums Earned	\$ 111,557	103,369
Reinsurance Assumed	18,659	19,067
Reinsurance Ceded	<u>(45,080)</u>	<u>(57,181)</u>
	<u>85,136</u>	<u>65,255</u>
Net Losses Incurred:		
Direct Lines Losses Incurred	55,160	58,870
Reinsurance Assumed	5,588	4,220
Reinsurance Recoveries	<u>(18,178)</u>	<u>(22,524)</u>
	<u>42,570</u>	<u>40,566</u>
Operating Expenses Incurred:		
Loss Adjustment Expenses	6,297	5,667
Commissions	12,107	8,418
Other Underwriting Expenses	10,966	<u>9,557</u>
	<u>29,369</u>	<u>23,642</u>
Underwriting Income	<u>13,197</u>	<u>1,047</u>
<u>Investment and Other Income</u>		
Net Investment Income	1,496	3,015
Other Income	<u>199</u>	<u>216</u>
Investment and Other Income	1,695	3,231
Pre-Tax Net Income	14,893	4,278
Federal Income Tax Expense	<u>(2)</u>	<u>(64)</u>
Net Income	<u>\$ 14,895</u>	<u>\$ 4,342</u>

RAM OFFICERS

JIM WILLIAMS	VP OF ACCOUNTING
CARI LAMIRANDE	VP OF AUTO
ANGIE SALMI	SR VP OF OPERATIONS/CIO



STATUTORY BALANCE SHEET (in thousands) FOR YEARS ENDING DECEMBER 31, 2024 AND 2025

<u>Admitted Assets</u>	<u>2025</u>	<u>2024</u>	<u>Liabilities and Surplus</u>	<u>2025</u>	<u>2024</u>
Bonds	\$ 52,954	\$ 56,761	Liabilities:		
Common and Preferred Stocks	14,923	14,787	Unpaid Losses and Loss		
Cash	58,341	31,825	Adjustment Expenses	\$ 23,757	\$ 22,881
Other Invested Assets	<u>4,926</u>	<u>5,072</u>	Unearned Premiums	41,926	36,859
Cash and Invested Assets	<u>131,144</u>	<u>108,445</u>	Other Liabilities	<u>9,341</u>	<u>10,241</u>
Premiums Receivable	15,639	15,400	Total Liabilities	<u>75,024</u>	<u>69,981</u>
Other Assets	<u>9,535</u>	<u>12,769</u>	Surplus:		
Total Admitted Assets	<u>\$156,318</u>	<u>\$136,614</u>	Guaranty Fund Certificates	19,725	19,745
			Unassigned Surplus	<u>61,569</u>	<u>46,888</u>
			Total Surplus	<u>81,294</u>	<u>66,633</u>
			Total Liabilities and		
			Policyholders' Surplus	<u>\$ 156,318</u>	<u>\$136,614</u>