

Serving Indiana for 75 years: Indiana Farm Bureau Insurance

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Seventy-five years ago, the need for an insurance company that would protect Hoosier farmers became evident. Since then, the companies now known collectively as Indiana Farm Bureau Insurance have met that need for hundreds of thousands of Hoosiers. On Oct. 17, 2009, Indiana Farm Bureau Insurance will celebrate the 75th anniversary of receiving its charter to conduct business from the state of Indiana.

Today, the company offers insurance products for auto, life, home, business and farm. Banking and other financial services and products are also available through 132 Indiana Farm Bureau Insurance local offices. With at least one office in each of Indiana's 92 counties, more than 1,200 employees and 480 agents serve the state's residents. Indiana Farm Bureau Insurance is the largest writer of farm insurance and the second largest writer of auto and home insurance in the state.

But it had to start somewhere.

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The beginning

In the 1920s, the Indiana Farm Bureau board of directors had a vision. For years, IFB members had been dissatisfied with their auto and truck insurance rates. This prompted the board to take a risk and establish the Farm Bureau Mutual Insurance Company of Indiana. The company became an agent of State Farm Mutual of Bloomington, Ill., and for 10

years, sold State Farm's auto insurance to Farm Bureau members in Indiana.

After 10 years as an agent for State Farm, the board of directors was not satisfied that the products being offered met the needs of IFB members. In addition, the board was concerned that Hoosier capital was leaving Indiana in the form of insurance premiums. During the midst of the Great Depression, the directors decided to create a home-based insurance company that would benefit Indiana's farmers and enhance the state's economy. The idea of Farm Bureau Insurance Company began to take shape, and the company's first meeting took place on Oct. 17, 1934.

Lewis Taylor was elected as the first president of the new company. Carlos C. Palmer was elected vice president and Everett Jeanes as secretary/treasurer. The corporation's bylaws were approved and the new company officially became "Farm Bureau Mutual Insurance Company of Indiana Inc."

The officers went about securing a license, and on Feb. 26, 1935, the company was licensed to write auto and casualty lines in Indiana. Thus began Indiana Farm Bureau Insurance.

During its first year of business, the company sold 3,341 policies and insured more than 5,000 farmer-owned cars and trucks. Lewis Taylor purchased the first auto policy on April 24, 1935, to insure his 1922 Ford Model T. His six-month premium was \$6.30.

By 1936, the company had accumulated a policyholders' surplus (net worth) of \$9,300.

The company evolved through the following years to market different lines of insurance. In 1937, the Hoosier Farm



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Farm Bureau Fire and Tornado Insurance Company came about on Feb. 21, 1946; however, in 1948 Indiana enacted a law allowing for multiple-line insurance companies. Thus, on May 1, 1948, the company was merged with Farm Bureau Mutual Insurance Company of Indiana.

The growing need for efficient auto, home, business and farm claims service saw the first regional claims office open in Fort Wayne in June 1952. The company offered a policy for polio and other specified diseases in July 1952. It provided up to \$5,000 coverage for expenses resulting from 10 dreaded diseases.

Until 1954, insurance products, except for life, were only available to voting members of Indiana Farm Bureau. That year, however, the board voted to expand membership by offering "associate memberships." The company was now able to offer home and auto insurance to thousands of non-farm families across the state.

In 1959 the Rural Insurance Agency was established to offer protection not available through Farm Bureau Mutual Insurance Company of Indiana.

United Farm Bureau Mutual Insurance Company and United Farm Bureau Family Life Insurance Company became the companies known by their present names – United Farm Family Mutual Insurance Company and United Farm Family Life Insurance Company – on May 30, 1996.

Celebrating 50 years of service

At the 50th anniversary in 1985, the companies now collectively known as Indiana Farm Bureau Insurance had grown to 1,440 employees with nearly 625 agency personnel serving the 92 counties of Indiana. More than 950,000 policies were in force at that time.

In January 1990, the company had more than \$6 billion of life insurance in force. In 1992 the mutual insurance company reached a policyholders' surplus of \$102 million. By 1995 it had exceeded \$140 million. Also in 1995, the life company reached an industry-recognized



This Marion County office opened for business in 1962.

milestone of \$1 billion in assets.

In 1997 the company acquired United Home Life (UHL), a small business based in Greenwood, Ind. UHL first extended the company's reach outside the state of Indiana. In 1999 Indiana Farm Bureau Insurance had 482,599 auto policies, 153,373 dwelling policies and 37,557 farm policies in force. Countryway Insurance Company was acquired on August 28, 2002, and is licensed to conduct business in nine states.

In June 2009, the Life Division processed a record 3,393 applications.

Expansion and change have marked the years since 1934. The companies known as Indiana Farm Bureau Insurance have more than 1 million policies in force today.

A typical work day

Before laptops and personal computers, employees at the company's Indianapolis headquarters used keypunch machines to document and keep records. Just like a typewriter, the Remington Rand keypunch would feed in the front and then come out the back. Secretaries were well versed in shorthand, and typewriters were prevalent throughout the office building.

According to Jim Hood, retired senior vice president of information systems, the first computer came right after World War II. It was an IBM 360 and couldn't do a fraction of the amount of work that a home computer can do today. The equipment was so heavy that some components were stored in a portable freight elevator so that the combined weight

Indiana Farm Bureau Insurance has always strived to be a good corporate citizen. In 1978, employees volunteered to ring the bell for the Salvation Army.



wouldn't break through the floor.

In 1988, the company made a major commitment to the city of Indianapolis by completely renovating the former Indianapolis Rubber Company building, a declared brownfield site located at 225 South East Street. Home office staff moved into the new office in April 1992. The headquarters serves as a symbol of the rebirth of the southeast side of Indianapolis.

In 1989 the home office, serving 850 full-time employees, housed seven photocopiers and only 700 telephones.

The first website, a combination of Indiana Farm Bureau Inc. and Indiana Farm Bureau Insurance, went live in 1996. In 2001 the websites split; the insurance company's site can be found at www.infarmbureau.com while that of the parent organization is at www.infarmbureau.org.

Today, nearly all documents, records and client information are computerized. All agents have their own laptops, and just about every employee has a computer.

Community commitment

Indiana Farm Bureau Insurance believes in supporting the communities

its employees and agents live and work in. The company slogan, "We're part of your life," is more than lip service. The company provides annual support to more than 50 charitable organizations across Indiana including American Heart Association, Indiana Down Syndrome Foundation, USO and the Fine Arts Society.

The company believes one of the best and most important ways to give back is by supporting the next generation. Encouraging the young people of Indiana is a solid investment in the future of Indiana. Indiana Farm Bureau Insurance supports Amber Alert, IHSAA Mental Attitude Award, FFA, 4-H, Indiana Young Farmers and offers the Teenage Driver Safety and Education Program and a Top Scholar premium discount.

Generous with its resources, Indiana Farm Bureau Insurance encourages its employees and agents to give back to their communities as well. In 1987, it was a corporate sponsor of the Pan Am Games, hosted in Indianapolis. The company sponsors a team for Race for the Cure, Mutt Strut and the Heart

Walk. It hosts several blood drives during the year. In August 2009, the company sanctioned work shifts to assist on a Habitat for Humanity build hosted in the home office parking lot. Historically, employees and agents have volunteered for the Salvation Army as bell ringers, donated their time to Indianapolis Public School 78 through the Partners in Education program, and volunteered in various other organizations.

Giving back

Storms pounded Indiana on June 6 and 7, 2008. By June 8, 41 counties had sufficient areas underwater to be declared disaster sites by Gov. Mitch Daniels.

"We're feeling the pain ourselves; we have members of the Farm Bureau family affected. We will do what we can."

That simple statement by Indiana Farm Bureau Insurance CEO Jerry Canada started its own flood: one of relief. Employees rallied together to open extra offices and offer longer and additional business hours to help victims of the flood. They staffed FEMA sites, donated clothing and bottled water.

The company made a \$25,000 donation to the American Red Cross of Greater Indianapolis. It also offered a goodwill gesture to clients affected by the flood. IFBI paid policyholders residing in designated disaster areas a one-time cash payment of \$125 for each personal property claim filed as a result of the June 6-7, 2008, storms or subsequent flooding. The company also sanctioned a volunteer effort in Franklin and other devastated areas and allowed employees to use work time to travel and assist in the clean up of these areas.

Financial strength

A.M. Best Co. has assigned the financial strength rating of "A-" (Excellent) to United Farm Family Mutual Insurance Company, and affirmed a rating of "A" (Excellent) to United Farm Family Life Insurance Company, part of the Indiana Farm Bureau Insurance family of companies.

Indiana Farm Bureau Insurance's conservative investment strategy focuses on U.S. government and high-quality corporate bonds. Investments in mortgage loans, common stock and real estate combine for only a prudent 17.1 percent of the company's assets.

The company's strong and stable financial position ensures that it will be able to protect the financial interests of policyholders now and into the future.

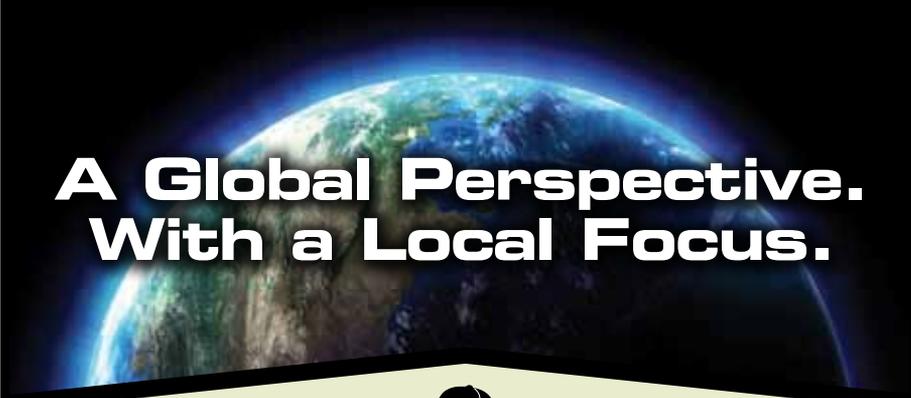
A.M. Best Co., founded in 1989, is the largest and longest-established rating agency devoted to issuing in-depth reports and financial-strength ratings about insurance organizations. It is recognized as a Nationally Recognized Statistical Rating Organization (NRSRO) by the U.S. Securities and Exchange Commission and generally is recognized as the premier rating agency within the insurance industry.

The future

For the next 75 years and beyond, Indiana Farm Bureau Insurance's goal is to continue the tradition of service, growth and progress. During the first 75 years, it has remained true to the founders of the company whose vision was an insurance program that would protect members from catastrophic loss at a reasonable price. Indiana Farm Bureau Insurance is determined to keep that vision in the forefront of its relationships with all of its members and future clients. 



The Martinsville office sustained major damage and had to be closed. To continue to serve customers, the office moved into a temporary location in an RV. Clients were able to do all business at the site. Photo by Pat Schmidt



A Global Perspective. With a Local Focus.



HOOSIER AG TODAY
WITH GARY TRUITT

While farmers have always been viewed as independent, farming is truly interconnected. Hoosier farmers do not live and work in a vacuum. What happens around the world affects crop and livestock prices on a daily basis and Indiana farmers need to know.

Hoosier Ag Today understands the connection between the value of the Japanese Yen and the price of corn in Tipton County or how crop conditions in Dubois County affect the price of food in Europe. Through their in-depth analysis and unparalleled agriculture knowledge and expertise, Gary Truitt and Andy Eubank are able to cover the world from an Indiana point of view.

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Source: Latest AMR study