



2505 Court Street • Pekin, Illinois 61558
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October 30, 2023

To The Shareholders of Pekin Life Insurance Company:

The first nine months of 2023 show significant improvement in net income over the first nine months of 2022. The operating results for the nine months of 2023 are summarized below.

Net income was \$1.4 million, or \$0.08 per share, the first nine months of 2023 compared to a net loss of \$3.5 million, or \$0.20 per share, last year. Realized capital gains in the first nine months of 2023 and 2022 were \$0.9 million, or \$0.05 per share.

Premium decreased \$10.8 million through September 30, 2023, compared to September 30, 2022. This decrease is attributable to our strategic decision to exit the credit insurance line of business at the end of 2022. Offsetting the decrease in premium is a corresponding decrease in expenses of \$5.5 million in credit insurance compensation.

Investment rates have become more attractive than Pekin Life's annuity rates in the first nine months of 2023 compared to the first nine months of 2022. This has caused a \$19.0 million increase in annuity surrenders over the prior year. Annuity products are closely monitored to keep them as competitive as possible in the current interest rate environment.

Investment income excluding capital gains increased to \$51.8 million in the first nine months of 2023, or 8.3 percent from last year. This increase is due to higher yields earned on our bond portfolio compared to the prior year. Additionally, our bond portfolio is comprised of high quality holdings, of which 96.0 percent are investment grade.

As of September 30, 2023, assets were \$1.7 billion. Book value increased during the first nine months of the year by \$0.5 million from year end 2022. Book value per share was \$6.78 at September 30, 2023.

Further information regarding the results of the first nine months of 2023 can be found on our website at www.pekininsurance.com.

We appreciate the continued support of our shareholders, agents, and employees.

Daniel V. Connell, CPA
Chairman of the Board, President & Chief Executive Officer

CONDENSED STATEMENTS OF INCOME

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2023	2022
Premium Income	\$ 141,008,891	\$ 151,811,056
Investment Income	51,815,166	47,864,289
Total Income	192,824,057	199,675,345
Benefits to Policyholders	140,936,705	118,302,293
Additions to Policy Reserves	10,336,445	37,800,679
Commissions and Service Fees	12,137,391	18,007,959
Expenses and Insurance Taxes	27,911,910	29,387,447
Total Deductions	191,322,451	203,498,378
Net Income (Loss) Before Income Taxes and Realized Capital Gains	1,501,606	(3,823,033)
Income Taxes	982,599	510,863
Net Income (Loss) Before Realized Capital Gains	519,007	(4,333,896)
Realized Capital Gains, Net of Tax	917,802	872,921
Net Income (Loss)	\$ 1,436,809	\$ (3,460,975)
Net Income (Loss) Before Net Realized Capital Gains Per Share	\$.03	\$ (.25)
Net Realized Capital Gains Per Share	\$.05	\$.05
Net Income (Loss) Per Share	\$.08	\$ (.20)
Book Value Per Share	\$ 6.78	\$ 6.71
Weighted Average Shares Outstanding	17,068,023	17,068,023

OTHER FINANCIAL INFORMATION

Premium Income by Product Line:

Ordinary Life & Universal Life	\$ 64,483,052	\$ 63,372,203
Pre-Need Life & Annuity	35,649,783	37,241,226
Annuity	9,123,579	7,933,900
Medicare Supplement	29,924,920	29,432,906
Credit Life & Health	(80,512)	10,309,146
Group Life, Health & Annuity	1,908,069	3,521,675
Total	\$ 141,008,891	\$ 151,811,056

	AS OF	
	September 30, 2023	December 31, 2022
Assets	\$ 1,675,341,807	\$ 1,652,961,626
Capital and Surplus	\$ 115,688,028	\$ 115,201,003
Insurance In Force	\$ 21,584,191,492	\$ 21,125,881,000

NOTE: Information for the nine months ended September 30, 2023 and 2022 is unaudited. The above is prepared on the basis of accounting practices prescribed by the Illinois Department of Insurance.



Pekin Life Insurance Company, headquartered in Pekin, Illinois, became an integral member of the Pekin Insurance® group of companies in April 1965. Joining together with our property/casualty companies, The Farmers Automobile Insurance Association, Pekin Insurance Company, and Pekin Select Insurance Company, we are committed to providing quality insurance service to our policyholders spanning a 24-state marketing area. Our property/casualty products deliver coverage to protect homes, autos, businesses, and a wide range of other insurance needs. The Company's life and health products listed below offer a diverse portfolio of coverages to help families and businesses achieve secure financial futures. Whether for property/casualty, life, annuities, or medicare supplement insurance, we are committed to going the extra mile to provide the products and services necessary for your peace of mind. Now, more than ever, it is important that policyholders have complete trust in their insurance company.

Universal Life

Whole Life

Term Life

Transitional Life

Flexible & Single Premium Annuities

Medicare Supplement

Group Life

Qualified Retirement Programs for Individual & Business Needs

Funeral Preplanning

Voluntary Products