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February 13, 2024

To The Shareholders of Pekin Life Insurance Company:

The operating results for 2023 are summarized below.

The results for 2023 reflect net income of \$1.9 million, or \$0.11 per share, compared to a net loss of \$4.7 million, or \$0.28 per share, last year. Realized capital gains were \$1.1 million, or \$0.06 per share, compared to a realized capital gain of \$0.9 million, or \$0.05 per share, last year.

Premium decreased \$10.1 million this year. 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 \$7.4 million in credit insurance compensation. Premium growth was attained in our Ordinary life and Universal life lines. Ordinary life increased \$1.9 million to \$59.7 million, or 3.3 percent. Universal life increased \$0.7 million to \$27.4 million, or 2.6 percent. In addition, Individual annuities increased to \$13.0 million.

Investment rates have become more attractive than Pekin Life's annuity rates in 2023 compared to 2022. This has caused a \$23.3 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 \$69.7 million in 2023, or 8.2 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 96.2 percent are investment grade.

As of December 31, 2023, assets were \$1.7 billion. Book value increased during the year by \$0.7 million from year end 2022. Book value per share was \$6.79 at December 31, 2023.

Further information regarding the results for the year 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 YEAR ENDED DECEMBER 31,	
	2023	2022
Premium Income	\$ 188,682,054	\$ 198,753,994
Investment Income	69,688,530	64,427,089
Total Income	258,370,584	263,181,083
Benefits to Policyholders	192,629,788	166,010,991
Additions to Policy Reserves	10,807,026	42,283,709
Commissions and Service Fees	16,558,603	24,075,234
Expenses and Insurance Taxes	36,107,556	36,585,045
Total Deductions	256,102,973	268,954,979
Net Income (Loss) Before Income Taxes and Realized Capital Gains	2,267,611	(5,773,896)
Income Taxes	1,402,523	(158,013)
Net Income (Loss) Before Realized Capital Gains	865,088	(5,615,883)
Realized Capital Gains, Net of Tax	1,062,085	873,200
Net Income (Loss)	\$ 1,927,173	\$ (4,742,683)
Net Income (Loss) Before Net Realized Capital Gains Per Share	\$.05	\$ (.33)
Net Realized Capital Gains Per Share	\$.06	\$.05
Net Income (Loss) Per Share	\$.11	\$ (.28)
Book Value Per Share	\$ 6.79	\$ 6.75
Weighted Average Shares Outstanding	17,068,023	17,068,023

OTHER FINANCIAL INFORMATION

Premium Income by Product Line:

Ordinary Life & Universal Life	\$ 87,097,840	\$ 84,505,826
Pre-Need Life & Annuity	47,080,545	49,041,481
Annuity	12,951,358	8,911,307
Medicare Supplement	39,555,159	38,928,355
Credit Life & Health	(530,588)	13,203,357
Group Life, Health & Annuity	2,527,740	4,163,668
Total	\$ 188,682,054	\$ 198,753,994

	AS OF	
	December 31, 2023	December 31, 2022
Assets	\$ 1,687,081,443	\$ 1,652,961,626
Capital and Surplus	\$ 115,887,517	\$ 115,201,003
Insurance In Force	\$ 21,632,895,000	\$ 21,125,881,000

NOTE: Information for the year ended December 31, 2023 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