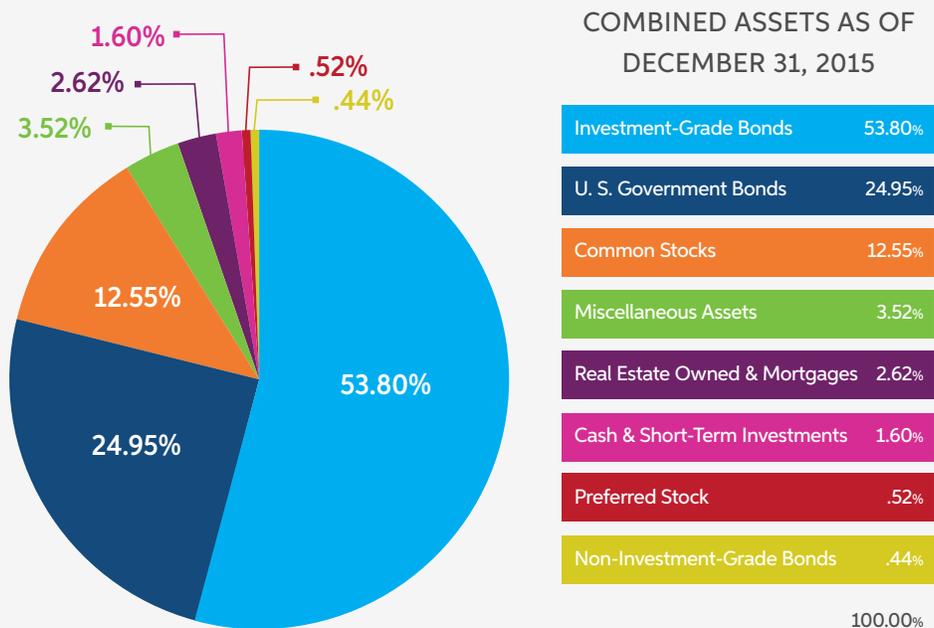


Safe. Sound. Secure.®

Auto-Owners is unwavering in its commitment toward maintaining a high-quality investment portfolio. We remain loyal to the proven investment principles that have guided us along a steady path throughout the years.

Depicted is a breakdown of combined assets of Auto-Owners Insurance as of Dec. 31, 2015. The combination of U.S. government bonds and investment-grade bonds represents 78.75% of assets. Non-investment-grade bonds represent only 0.44% of assets.



AUTO-OWNERS WILL BE CELEBRATING ITS 100TH ANNIVERSARY IN 2016. THROUGH THE CHALLENGES AND CHANGES OF THE LAST 100 YEARS, OUR COMMITMENT TO HONORING OUR OBLIGATIONS HAS ALWAYS REMAINED STRONG. OUR ADHERENCE TO A SAFE. SOUND. SECURE.® INVESTMENT PORTFOLIO HELPS ASSURE THAT WHEN YOU NEED US MOST, AUTO-OWNERS WILL BE THERE.

- J.F. Harrold
Chairman & CEO, Auto-Owners Insurance

Auto-Owners
INSURANCE

LIFE • HOME • CAR • BUSINESS

AUTO-OWNERS COMPANIES EARN A.M. BEST SUPERIOR RATINGS

Auto-Owners property and casualty companies are rated A++ (Superior) by A.M. Best Company, a nationally recognized independent insurance company rating organization. Auto-Owners Life Insurance Company is rated A+ (Superior) by A.M. Best. According to A.M. Best Company, “The ratings reflect Auto-Owners Insurance Group’s superior capitalization, the re-emergence of solid operating income primarily through net investment income and then supplemented more recently by underwriting profits, an experienced management team, a blend of personal and commercial product offerings and long-standing agency relationships. In addition, AOIG has strong risk management techniques and a well-established market position.”



A.M. Best also praised the Life Company: “The ratings for Auto-Owners Life Insurance Company reflects the company’s strong quality of surplus, with no debt at the life company, little dependency on reinsurance, overall good credit quality of invested assets and organic growth of capital through operating earnings.” In A.M. Best’s opinion, companies in the A++ and A+ classifications – their highest classifications – have a superior ability to meet ongoing obligations to policyholders. Auto-Owners Group has been rated A++ since 1992, and the Life Company has been rated A+ since 1976.

AUTO-OWNERS ACQUIRES EXCESS AND SURPLUS LINES INSURANCE COMPANY

Auto-Owners Insurance acquired Atlantic Casualty Insurance Company, an excess and surplus lines insurance carrier, in late 2015. The purchase allows Auto-Owners to enter the E&S market.

“Atlantic Casualty is a great company and we are extremely excited about the combination of capabilities our companies bring to the growth potential of Atlantic Casualty,” said Jeff Harrold, chairman & CEO of Auto-Owners Insurance. Atlantic Casualty, formed in 1983, operates in 48 states. The company writes E&S

insurance for commercial general liability, property, package, inland marine, commercial automobile, and boiler and machinery, in both admitted and non-admitted states.

AUTO-OWNERS LIFE INSURANCE COMPANY CELEBRATES 50TH ANNIVERSARY!

Auto-Owners Life Insurance Company was established in 1965 and we wrote our first policy in 1966. Providing financial protection to our clients was, and still is, our vision in the Life Company. Fifty years later, we are proud to serve more than 380,000 clients throughout the U.S.

We offer a broad portfolio of products, including: term life, permanent life, disability income, long-term care insurance, as well as deferred and immediate annuities. We are proud to be a Safe.Sound.Secure.® company that can take care of all of these needs for our clients.

NEW FACILITIES UNDER CONSTRUCTION, RELOCATED IN 2015

CONSTRUCTION/RENOVATIONS

A 12,000-square-foot addition to the home office was begun as part of the renovation to enlarge the company’s dining center. Work will be completed in 2016. Renovation of a 49,000-square-foot building on St. Joseph Highway purchased near the home office in Delta Township was begun, with associates from the Michigan PIP claims branches moving into the building in 2016. And Auto-Owners purchased a 5-acre parcel in Lake Elmo, Minnesota, to build a 33,500-square-foot regional office, which will replace the White Bear Lake facility when it is completed.

RELOCATIONS

Four claims branches moved to new locations in 2015: Birmingham, AL; Raleigh, NC; Columbus, OH; and Southern Indiana (New Albany, IN).



COMPANY REPORTS

Auto-Owners Insurance continues to be recognized for exceptional financial strength and stability among the nation’s largest insurers. Comprised of five property and casualty companies and one life/health/annuity insurer, the Companies had combined assets of \$20,103,498,430 at year-end 2015. Net written premiums totaled \$5,992,924,224, up by \$192 million from the previous year. More than 4.75 million personal and commercial insurance policies were in force at year-end. Associates in 124 underwriting, claims and marketing offices serve customers in the Companies’ 26-state marketing territories.

AUTO-OWNERS INSURANCE COMPANY (established 1916)

is represented by 43,056 agents in 6,256 agencies, and is the group’s largest insurer. This mutual insurance company ranks among the leading property and casualty insurers in the U.S. with recorded net written premiums of \$2,873,127,794 in 2015, an increase of 13.0% from the previous year.

AUTO-OWNERS LIFE INSURANCE COMPANY (established 1965)

experienced another great year in 2015; applications received exceeded 40,000. The Company recorded \$34,099,544,127 of life insurance in force at year-end, an increase of 4.1% from the previous year. In addition, assets were up 2.9% to \$3,739,348,859, keeping this stock company among the top 100 life insurers in the U.S.

HOME-OWNERS INSURANCE COMPANY (established 1973)

recorded written premiums of \$809,404,217 in 2015, a decrease of 18.5% from the previous year. This property and casualty stock company writes business primarily in Michigan and Ohio.

OWNERS INSURANCE COMPANY (established 1975)

recorded another good year with net written premiums of \$1,705,890,686 in 2015, an increase of 0.9% from the previous year. This stock company is the second-largest property and casualty insurer in the Auto-Owners Insurance group and operates in 25 of the 26 states that make up the Auto-Owners regional market.

PROPERTY-OWNERS INSURANCE COMPANY (established 1976)

recorded written premiums of \$78,877,225 in 2015, an increase of 9.0% from the previous year. This stock insurer writes property and casualty products in Indiana, Michigan and Georgia.

SOUTHERN-OWNERS INSURANCE COMPANY (established 1995)

recorded written premiums of \$266,077,558 in 2015, an increase of 7.7% from the previous year. This stock insurer writes property and casualty products in Florida.