



February 6, 2026

To The Shareholders of Pekin Life Insurance Company:

The operating results for 2025 are summarized below.

The results for 2025 reflect net income of \$0.3 million, or \$0.02 per share, compared to net income of \$8.6 million, or \$0.50 per share, last year primarily due to lower investment income in 2025 as a result of a Preneed reinsurance transaction. Realized capital gains were \$1.7 million, or \$0.10 per share, compared to realized capital gains of \$2.1 million, or \$0.12 per share, last year.

Premium decreased \$327.2 million this year due to entering a reinsurance transaction on an existing block of Preneed products. Ordinary Life and Medicare Supplement premium showed growth in 2025.

Investment income excluding capital gains decreased to \$63.9 million this year, or a decrease of 10.8 percent from last year. The decrease is due to funding the Preneed reinsurance transaction. Our bond portfolio is comprised of high-quality holdings, of which 94.8 percent are investment grade.

As of December 31, 2025, assets were \$1.4 billion. Book value increased during the year by \$4.3 million from year end 2024. Book value per share was \$7.80 at December 31, 2025.

Further information regarding the results for the year 2025 can be found on our website at www.pekininsurance.com.

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

A handwritten signature in black ink that reads "Daniel V. Connell". The signature is written in a cursive, flowing style.

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

CONDENSED STATEMENTS OF INCOME

	FOR THE YEAR ENDED DECEMBER 31,	
	2025	2024
Premium Income	\$ (141,274,177)	\$ 185,972,739
Investment Income	63,890,334	71,586,924
Total Income	(77,383,843)	257,559,663
Benefits to Policyholders	176,061,437	179,177,702
Additions to Policy Reserves	(302,737,363)	16,614,288
Commissions and Service Fees	13,490,041	14,888,153
Expenses and Insurance Taxes	36,517,944	35,760,668
Total Deductions	(76,667,941)	246,440,811
Net Income (Loss) Before Income Taxes and Realized Capital Gains	(715,902)	11,118,852
Income Taxes	645,024	4,626,178
Net Income (Loss) Before Realized Capital Gains	(1,360,926)	6,492,674
Realized Capital Gains, Net of Tax	1,702,704	2,121,518
Net Income	\$ 341,778	\$ 8,614,192
Net Income (Loss) Before Net Realized Capital Gains Per Share	\$ (0.08)	\$.38
Net Realized Capital Gains Per Share	\$.10	\$.12
Net Income Per Share	\$.02	\$.50
Book Value Per Share	\$ 7.80	\$ 7.55
Weighted Average Shares Outstanding	17,068,023	17,068,023

OTHER FINANCIAL INFORMATION

Premium Income by Product Line:

Ordinary Life & Universal Life	\$ 87,664,862	\$ 86,281,434
Pre-Need Life & Annuity	(279,529,660)	49,683,235
Annuity	6,219,881	8,140,809
Medicare Supplement	42,520,305	40,262,374
Credit Life & Health	(576,247)	(1,107,985)
Group Life, Health & Annuity	2,426,682	2,712,872
Total	\$ (141,274,177)	\$ 185,972,739

	AS OF	
	December 31, 2025	December 31, 2024
Assets	\$ 1,368,005,457	\$ 1,712,897,432
Capital and Surplus	\$ 133,161,916	\$ 128,897,658
Insurance In Force	\$ 21,934,883,000	\$ 21,775,100,000

NOTE: Information for the year ended December 31, 2025 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