



2505 Court Street • Pekin, Illinois 61558
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August 2, 2021

To The Shareholders of Pekin Life Insurance Company:

The first half of 2021 showed a slight decrease in net income compared to the first half of 2020. The operating results for the first six months of 2021 are summarized below.

The first half results for 2021 reflect net income of \$600,000, or \$0.04 per share compared to net income of \$982,000, or \$0.06 per share, last year. Realized capital gains in the first half of 2021 were \$836,000 compared to \$25,000 last year.

Our strategic effort to grow premium was achieved in several major product lines through June 30, 2021, compared to June 30, 2020. Ordinary life increased 4.6% to \$28.4 million. Preneed life increased by 17.3% to \$21.6 million. Universal life increased by 8.6% to \$14.2 million. Medicare supplement increased by 4.0% to \$19.4 million. In addition, Credit Life and Credit Health increased by 22.5% to \$6.7 million.

Investment income excluding capital gains was \$30.8 million in the first half of 2021, which is consistent with last year. This reflects premium dollars that have been invested in the growing bond portfolio at rates that are down slightly from previous years. Additionally, our bond portfolio is comprised of high quality holdings, of which 94.4 percent are investment grade.

As of June 30, 2021, assets were \$1.6 billion. Book value increased during the first half of the year by \$1.6 million, or 1.3 percent from year end 2020. Book value per share was \$7.23 at June 30, 2021.

Further information regarding the results of the first half of 2021 can be found on our Internet website at www.pekininsurance.com.

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

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

Brian K. Lee, CPCU, FLMI, FALU
President & Chief Operating Officer

CONDENSED STATEMENTS OF INCOME

**FOR THE
SIX MONTHS ENDED
JUNE 30,**

	2021	2020
Premium Income	\$ 99,051,164	\$ 93,662,680
Investment Income	30,751,159	30,838,963
Total Income	129,802,323	124,501,643
Benefits to Policyholders	76,265,575	73,718,740
Additions to Policy Reserves	22,648,826	20,881,975
Commissions and Service Fees	11,718,593	10,272,591
Expenses and Insurance Taxes	18,523,636	17,420,449
Total Deductions	129,156,630	122,293,755
Net Income Before Income Taxes and Realized Capital Gains	645,693	2,207,888
Income Taxes	880,974	1,250,715
Net Income (Loss) Before Realized Capital Gains	(235,281)	957,173
Realized Capital Gains, Net of Tax	835,605	25,068
Net Income	\$ 600,324	\$ 982,241
Net Income (Loss) Before Net Realized Capital Gains Per Share	\$ (.01)	\$.06
Net Realized Capital Gains Per Share	\$.05	\$.00
Net Income Per Share	\$.04	\$.06
Book Value Per Share	\$ 7.23	\$ 7.27
Weighted Average Shares Outstanding	17,068,023	17,068,023

OTHER FINANCIAL INFORMATION

Premium Income by Product Line:

Ordinary Life & Universal Life	\$ 42,591,239	\$ 40,219,056
Pre-Need Life & Annuity	23,573,239	19,715,731
Annuity	4,983,493	6,752,099
Group Annuity	440,884	1,458,721
Group Life & Health	1,263,310	1,307,056
Medicare Supplement	19,454,725	18,702,833
Credit Life & Health	6,744,274	5,507,184
Total	\$ 99,051,164	\$ 93,662,680

AS OF

	June 30, 2021	December 31, 2020
Assets	\$ 1,605,254,297	\$ 1,576,651,497
Capital and Surplus	\$ 123,359,538	\$ 121,797,654
Insurance In Force	\$ 20,062,020,740	\$ 19,655,777,000

NOTE: Information for the six months ended June 30, 2021 and 2020 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, Pekin Select Insurance Company, and PAC, Inc., 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. Pekin Insurance ... going *Beyond the expected*® to meet your insurance needs.

Universal Life

Whole Life

Term Life

Transitional Life

Flexible & Single Premium Annuities

Medicare Supplement

Credit Life

Debt Protection

Group Life

Qualified Retirement Programs for Individual & Business Needs

Funeral Preplanning

Voluntary Products