



2017 Annual Report

A Year of Growth and Expansion



(877) 971-6300 | www.maxinsurance.com | info@maxinsurance.com

MESSAGE

from President and CEO



Growth and expansion summarize this past year for MAX. Nearly 4,000 new members joined MAX last year; 125 new agencies began representing MAX and over \$3.5 million dollars of new revenue was generated representing a growth rate of over 10%. We are especially grateful to our partners, the agencies that are enthusiastically sharing the MAX story and signing up so many of their clients with MAX.

MAX is obtaining licenses to operate in ten additional states (see the map in this report). Those states are Utah, Arizona, Washington, Oregon, Idaho, North Dakota, Wisconsin, Wyoming, New Mexico and North Carolina. Over the next few years, we will be introducing MAX in these states and look forward to sharing our story across a wider geographical area. In 2018, we plan to begin operations in Utah and Arizona.

We also had the opportunity to help restore wholeness to several thousand of our members last year. 2017 was filled with many catastrophic storms from tornados and hurricanes to wildfires and droughts. The insurance industry across the United States had record-breaking losses. MAX was not unique to this experience having four significant catastrophic events each exceeding \$1 million in losses for our members. MAX had previously never had more than one storm event like this in a given year. In spite of those losses, we are grateful that our member's surplus (the ability to pay losses in future years) only declined by \$406,978, meaning we are still in a very strong capital position.

In addition to our MAX insurance programs, we continue to practice our values of being Fair, Faithful and Socially Responsible. Some notable items include:

- Supporting individuals and communities with nearly \$100,000 in Mutual Aid Ministries grants.
- Continuing to practice socially responsible investing with strict guidelines in place on investments that support wholeness and responsible operations.
- Continuing to give our team up to one week paid leave each year to do volunteer work such as community, church and mission projects.
- Having policies in place for fair and equitable compensation and benefits for our team that promotes the value and worth of each team member.
- Placing high emphasis on relationships and communication, including ensuring that our members and agents get a live person when calling us.

We appreciate your participation in MAX. Please be in touch anytime we can be of help in any way.

Kindest Regards,

David M. Wine
President and CEO
MutualAid eXchange

BALANCE SHEET

MutualAid eXchange

at 12-31-2017

Assets

Cash	\$ 881,722
Other Investments	23,800,572
Premiums Receivable	1,964,500
Other Assets	<u>2,287,840</u>
Total Assets	\$ 28,934,634

Liabilities & Surplus

Loss & Loss Adjustment Reserves	\$ 2,250,260
Commission & Expenses Payable	592,668
Unearned Premium Reserves	8,665,099
Advance Premiums	789,731
Other Liabilities	<u>771,718</u>
Total Liabilities	13,069,476
Member's Surplus	<u>15,865,158</u>
Total Liabilities & Surplus	\$ 28,934,634

Change in Surplus—2017	\$ (406,978)
-------------------------------	---------------------

NOTICE OF ANNUAL MEETING

of Subscribers of MutualAid eXchange

Notice is hereby given to all Subscribers (Members) of MutualAid eXchange that the Annual Meeting of Subscribers will be held on Monday, May 14, 2018 at 9:00 a.m. Central Daylight Saving Time at 4400 College Boulevard, Suite 250, Overland Park, Kansas, to consider and act upon the following matters:

(a) Election of Directors. The names of the nominees for vacancies on the Board of Directors intended, at the time of issuance of this notice, to be presented by the Board to the Subscribers at the meeting for election to the Board of Directors of MutualAid eXchange, to the identified terms, are:

E. Fred Goering, Jr., Moundridge, Kansas (Director since 2005)(3-year term)

Karen M. Zecy, Prairie Village, Kansas (Director since 2014)(3-year term)

(b) Consider Bylaw amendments approved by the Board of Directors and filed with the Kansas Insurance Department.

(c) Such other matters as may properly come before the meeting.

Pursuant to Section 2.5 of the MutualAid eXchange Bylaws, the Board of Directors has fixed the close of business on April 1, 2018 as the record date for determination of Subscribers entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

Every Subscriber is invited to attend the meeting in person. Subscribers who do not expect to attend in person are requested to complete and return the accompanying proxy form.

April 2, 2018



Scott T. Forland, Secretary

REVOCABLE PROXY

MutualAid eXchange

The undersigned, as a Member of MutualAid eXchange, hereby revokes any and all previous proxies related to MutualAid eXchange and hereby appoints the MutualAid eXchange Board of Directors as the undersigned's proxy to attend all Subscriber's meetings and to vote, execute consents, and otherwise represent the undersigned in the same manner and with the same effect as if the undersigned were personally present at any such meeting or voting or personally acting on any matters submitted to the Members for their approval or consent. The undersigned or the designated proxy may revoke this proxy at any time.

This proxy shall be signed as the Member's name appears on their policy. If signed by an entity, the individual signing shall include the name of the insured entity, their title, and a telephone number for verification.

SINGLE OR JOINT MEMBERS:

Member's Signature

Printed Name

Email Address

FOR OTHER MEMBERS (e.g., farm, trust, business):

Insured Entity's Name

Signature

Printed Name of Signer Title

Telephone Number

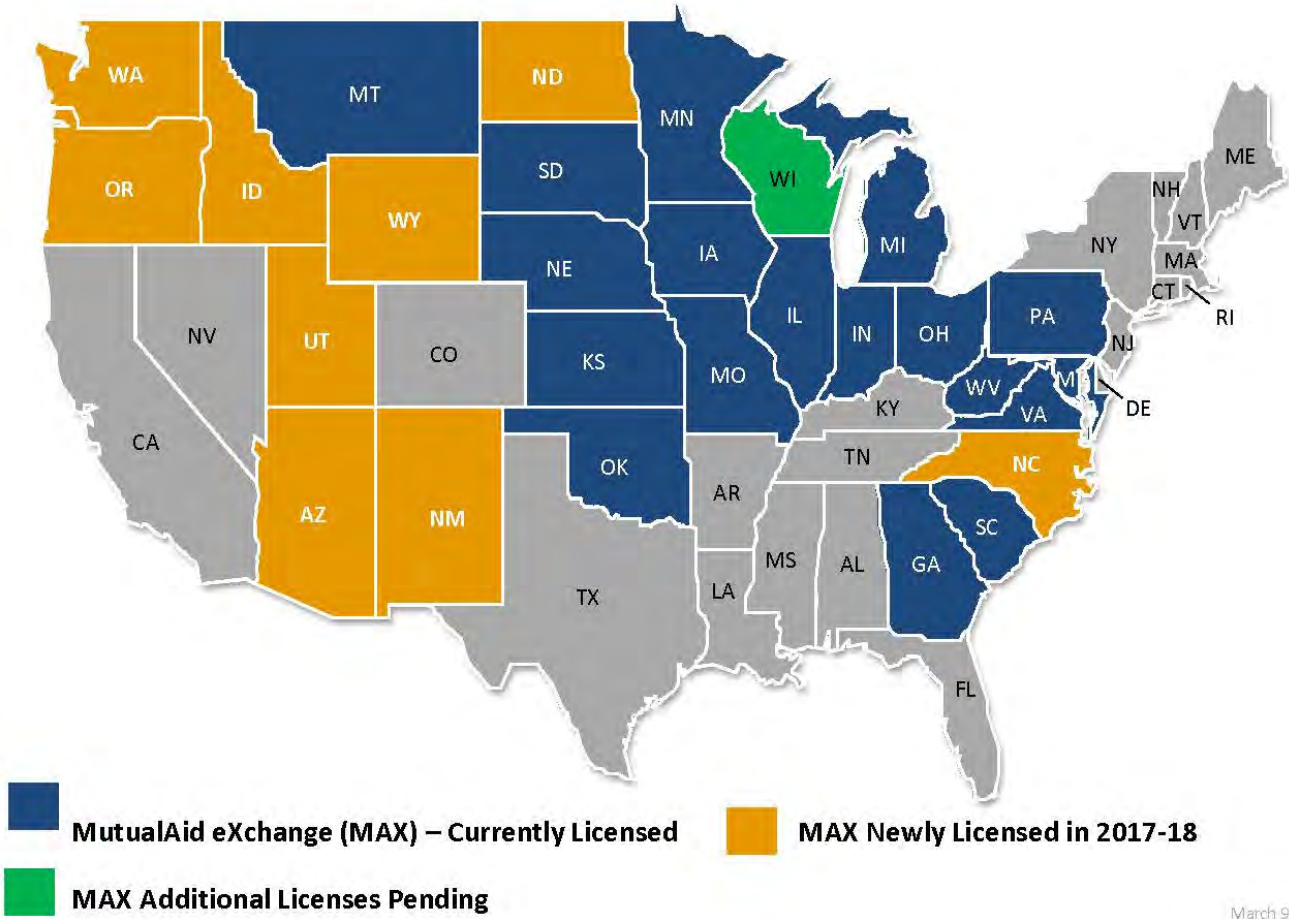
Email Address

Please print and mail this completed proxy to MutualAid eXchange before the meeting held on May 14, 2018 to:

MutualAid eXchange
4400 College Boulevard, Suite 250
Overland Park, KS 66211



MutualAid eXchange Licensed States Map



MAX OBTAINING LICENSES TO OPERATE IN TEN ADDITIONAL STATES

In 2017, MAX applied for licensing to operate in ten additional states. Those states are Utah, Arizona, Washington, Oregon, Idaho, North Dakota, Wisconsin, Wyoming, New Mexico and North Carolina. Over the next few years, we will be introducing MAX in these states and look forward to sharing our story across a wider geographical area. In 2018, we plan to begin operations in Utah and Arizona.



AGENT COMMUNITY GRANTS

Mutual Aid Ministries created the Agent Community Grant program in 2015 to help our independent agents become more involved in their communities and to build stronger relationships between MAX and its agencies. We believe this program exemplifies the fair, faithful and socially responsible way MAX and our agents do business. 2017 had a 33% increase in number of grants, allowing MAX to touch even more of our agents' and members' communities. Below are a few examples of Agent Community Grants from 2017.



Photo credit: Cuba Free Press

Cuba Lion's Club
Concession Trailer that sells food and drinks to raise funds for area charities and the club's vision testing program.

Agency Partner:
 Insurance Center of Cuba
 Cuba, MO



Arubuh Community Clinic
Medical Services for uninsured patients with diabetes and other chronic diseases

Agency Partner:
 Troyer-Weaver Insurance
 Pryor, OK



Rutland Volunteer Fire Dept.
Pressure Tester for Hoses and a Set of Bunker Pants & Boots

Agency Partner:
 Sherman Insurance
 Ansonia, OH



To learn more about Mutual Aid Ministries, visit www.MAXInsurance.com/MutualAidMinistries

WHO WE ARE

MAX is a fair, faithful and socially responsible, member-owned insurance program that provides excellent coverage and claims service at a fair, competitive price. We help our members create, regain and sustain wholeness when their lives are disrupted by an unforeseen loss. We call that Insurance the Way it Should Be.

OUR VISION

Creating and Sustaining WHOLENESS

OUR MISSION

Preserving and restoring property, lives and communities through a combination of quality faith-based insurance programs and mutual aid ministries.

BOARD OF DIRECTORS

Joan K. Cohen, Leawood, KS
Steven L. Garboden, Goshen, IN
E. Fred Goering, Jr., Moundridge, KS
S. Joan Hershey, Mount Joy, PA
Michael J. Lally, Overland Park, KS
J. Brian Reeve, Toronto, ON
Kathy Goering Reid, Waco, TX
Elaine L. Shantz, Wellesley, ON
David M. Wine, Overland Park, KS
Karen M. Zecy, Prairie Village, KS

LEADERSHIP TEAM

David Wine
President and CEO
dwine@maxinsurance.com

Dan Boxell
Chief Financial Officer and Treasurer
dboxell@maxinsurance.com

Scott Forland
Executive Vice President, Chief Legal Officer
and Corporate Secretary
sforland@maxinsurance.com

Lisa Bage
Chief Operating Officer
lbage@maxinsurance.com

Home Office

MutualAid eXchange
4400 College Boulevard, Suite 250 | Overland Park, KS 66211
Tel: (877) 971-6300 | Fax: (913) 338-0085
info@MAXInsurance.com | www.MAXInsurance.com

