

Operating update (continued)

Farmers

in USD millions, for the years ended December 31	2021	2020	Change
Farmers Management Services (FMS)	1,534	1,375	12%
Farmers Re	(1)	26	nm
Farmers Life	84	100	(16%)
Total business operating profit	1,617	1,501	8%

Farmers Management Services (FMS) business operating profit increased 12 percent compared with the prior year and 5 percent on a like-for-like basis after adjusting for the first-time inclusion of the acquired MetLife U.S. P&C business. This was mainly driven by growth of the premium base of the Farmers Exchanges.

Farmers Re reported a loss of USD 1 million compared with a business operating profit of USD 26 million in the prior year. The loss was driven by catastrophe losses and unfavorable prior-year development related to older accident years, when Farmers Re had a higher proportion of ceded business from the Farmers Exchanges under the all lines quota share.

Farmers Life business operating profit of USD 84 million was 16 percent lower than in the prior year. The result was mainly driven by higher mortality claims, including USD 121 million of claims related to COVID-19.

Farmers Exchanges

The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Re.

in USD millions, for the years ended December 31	2021	2020	Change
Gross written premiums	24,228	20,108	20%
Gross earned premiums	23,689	20,109	18%

Gross written premiums at the Farmers Exchanges increased 20 percent. Excluding the contribution of the MetLife transaction, which closed at the beginning of April 2021, gross written premiums increased 7 percent.