

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Grain Dealers Mutual Insurance Company)
900 E. 96th Street, Ste 200)
Indianapolis, Indiana 46240)

Examination of: **Grain Dealers Mutual Insurance Company**


NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Amy L. Beard, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Grain Dealers Mutual Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 26, 2023, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Grain Dealers Mutual Insurance Company shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 14, 2023
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7019 0700 0000 3590 2720

STATE OF INDIANA)
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900 E. 96th Street, Ste 200)
Indianapolis, Indiana 46240)

Examination of: **Grain Dealers Mutual Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Grain Dealers Mutual Insurance Company (hereinafter “Company”) for the time period January 1, 2021 through December 31, 2021.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 12, 2021.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 26, 2023 and was received by the Company on May 26, 2023.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Grain Dealers Mutual Insurance Company as of December 31, 2021.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Grain Dealers Mutual Insurance Company to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 14 day of
June, 2023.


Amy L. Beard
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

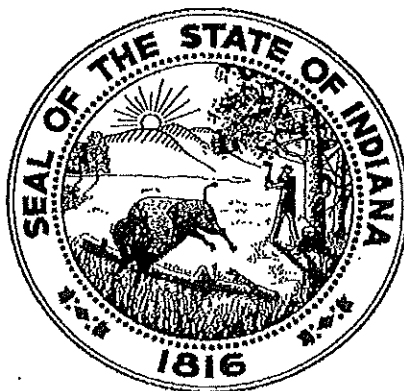
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION
OF

GRAIN DEALERS MUTUAL INSURANCE COMPANY
NAIC COMPANY CODE 22098
NAIC GROUP CODE 0473

As of

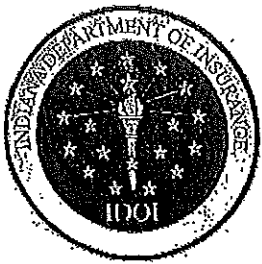
December 31, 2021



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STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance

Amy L. Beard, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

May 12, 2023

Honorable Amy L. Beard
Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4123, an examination has been made of the affairs and financial condition of:

Grain Dealers Mutual Insurance Company
900 East 96th Street, Suite 200
Indianapolis, Indiana 46240

an Indiana domestic casualty insurance company, hereinafter referred to as the "Company." The examination was conducted remotely with assistance from the corporate offices in Madison, Wisconsin.

The Report of Examination, showing the status of the Company as of December 31, 2021, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
317-232-2389

COMPANY COMPLIANCE
317-292-3495

CONSUMER SERVICES
317-232-2395/1-800-622-4461

FINANCIAL SERVICES
317-292-2390

MEDICAL MALPRACTICE
317-232-2402

COMPANY RECORDS
317-232-5692

STATE HEALTH INSURANCE PROGRAM
1-800-452-4800

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of December 31, 2020. The present risk-focused examination was conducted by The Thomas Consulting Group, Inc. (Thomas Consulting) and covered the period from January 1, 2021 through December 31, 2021, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was performed on a coordinated basis with the Wisconsin Office of the Insurance Commissioner (OCI) and with the state insurance departments of California, Florida, Georgia, Illinois, Minnesota, New York, and Texas. Wisconsin served as the lead state for the coordinated examination. The INDOI relied upon a portion of the coordinated examination work performed by the OCI in its examination of the Company's ultimate parent, American Family Insurance Mutual Holding Company (AFIMHC), and AFIMHC's insurers.

In conducting the risk-focused examination, the INDOI, by its representatives, relied upon the independent audit reports and opinions contained therein rendered by PricewaterhouseCoopers LLP for the one-year examination period. Such reports were prepared on a statutory basis and reconciled to the financial statements contained in the respective Annual Statements.

The OCI Actuary conducted a review of the Company's Loss Reserves and Loss Adjustment Expenses as of December 31, 2021.

In accordance with the 2021 NAIC *Financial Condition Examiners Handbook*, Thomas Consulting planned and performed the risk-focused examination to evaluate the financial condition of the Company and to identify prospective risks related to its operations. The examination process included an evaluation of corporate governance, identification and assessment of inherent risks, and documentation of system controls and procedures used to mitigate the identified risks. In addition, Thomas Consulting performed an assessment of the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The examination also included a review of the Company's compliance with Statutory Accounting Principles, Annual Statement Instructions, and the Indiana Insurance Code (IC). All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

The Company was incorporated on December 23, 1902, as the Grain Dealers National Fire Insurance Company. The present name was adopted on April 1, 1951. Business was confined to allied and fire lines until 1951 when charter powers were broadened to permit multiple line underwriting. On August 14, 1962, Companion Insurance Company (Companion), a wholly owned subsidiary of the Company, was incorporated under the laws of the State of Indiana and began business on October 29, 1962. Effective January 1, 1997, Companion discontinued writing direct lines. On December 30, 1999, Companion was merged into the Company.

On November 30, 2009, the Company entered into a Master Affiliation Agreement and a Management and Services Agreement with NGM Insurance Company (NGM), a wholly owned subsidiary of the Main Street America Group (MSA).

Effective October 31, 2018, MSA merged with AFIMHC and now operates as a stand-alone brand within

AFIMHC.

CAPITAL AND SURPLUS

As of December 31, 2021, the Company's total surplus as regards policyholders was \$11,127,868, which included surplus notes of \$1,000,000 and unassigned funds (surplus) of \$10,127,868. As a mutual insurer, the Company has no capital stock and is owned by its policyholders.

DIVIDENDS TO POLICYHOLDERS

The Company did not pay dividends to the policyholders during the examination period.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2021, the Company was licensed to write business in 26 states but was active in only six (6) states. It writes multiple lines, primarily commercial multi-peril, with a business mix of commercial multiple peril, commercial auto liability, commercial auto physical damage, and workers' compensation. (See additional information in the "Subsequent Events" section of this report.)

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results of the Company during the examination period:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital & Surplus</u>	<u>Premiums Earned</u>	<u>Net Income</u>
2021	\$ 18,759,300	\$ 7,631,432	\$ 11,127,868	\$ 0	\$ 1,676,695
2020	17,112,736	1,783,523	15,329,213	0	1,676,848

Note: Amounts are shown in whole dollars and rows may not total due to rounding.

The increase in liabilities and decrease in surplus from 2020 to 2021 are mainly attributed to a change in pension accounting related to underfunded pension obligations and the non-admission of prepaid pension costs.

The reported \$0 premiums earned resulted from the 100% cession of the Company's premiums to NGM under the terms of an intercompany reinsurance agreement. (See additional information in the "Reinsurance" section of this report.)

MANAGEMENT AND CONTROL

Directors

The Company's Bylaws provide that the business and prudential affairs of the Company shall be managed by a Board of Directors (Board), composed of no less than seven (7), and no more than 17 directors, as shall be determined by the members. Directors shall be elected annually by ballot of the members and shall

hold office for one (1) year and until their successors are elected and qualified. The following is a listing of persons serving as directors as of December 31, 2021, and their principal occupations as of that date:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Charles A. Arenson Zionsville, Indiana	State Sales Director American Family Insurance
Sarah C. Bourdeau Hartford, Connecticut	Vice President NGM Insurance Company
Theresa E. Breunig-Silbernagel Sun Prairie, Wisconsin	Senior Vice President NGM Insurance Company
Joseph D. Freitas Sturbridge, Massachusetts	Vice President, Chief Financial Officer, and Treasurer NGM Insurance Company
Kimberly K. Law Ponte Verda Beach, Florida	Vice President and Secretary NGM Insurance Company
Christopher R. Listau Waunakee, Wisconsin	President and Chief Executive Officer NGM Insurance Company
David S. Medvidofsky Jacksonville, Florida	Senior Vice President NGM Insurance Company
Anna D. Parker Jacksonville, Florida	Vice President Business Human Resources NGM Insurance Company

Officers

The Company's Bylaws state that at the annual meeting of the Board, there shall be elected from their number, a Chairperson, a President (who may be the same person), and an Executive Committee, all of whom shall serve for one (1) year and until their respective successors are elected and qualified. The directors shall also elect a Secretary and a Treasurer, who need not be members of the Board. With the advice and consent of the Board, the President may appoint from time to time a General Counsel, additional Vice Presidents, Assistant Secretaries, and such other corporate agents as may be necessary for the transaction of the business of the Company. The Board may elect or appoint any person to two (2) or more offices. All officers shall be subject to the authority of the Board; and in addition to their prescribed duties, shall perform such other duties as may be required of them by the Board. The following is a list of key officers and their respective titles as of December 31, 2021:

<u>Name</u>	<u>Title</u>
Christopher R. Listau	Chairman of the Board, CEO, and President
Joseph D. Freitas	Treasurer
Kimberly K. Law	Secretary

CONFLICT OF INTEREST

The Company's conflict of interest disclosure process requires directors and officers to complete a conflict of interest disclosure statement on an annual basis. From a review of the directors and officers signed statements, there were no material conflicts of interest noted.

OATH OF OFFICE

IC 27-1-7-10(i) requires that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly and diligently administer the affairs of the corporation and will not knowingly violate any of the laws applicable to such corporation. Each director serving during the examination period signed an Oath of Office statement.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments to the Company's Articles of Incorporation during the period under examination.

Bylaws

There were no amendments made to the Company's Bylaws during the period under examination.

Minutes

The Board and Members Meeting minutes were reviewed for the period under examination through the fieldwork completion date and significant actions taken during each meeting were noted. For the period under examination, the Annual Meeting of the Members was held in accordance with IC 27-1-7-7(b) and the Company's Bylaws.

AFFILIATED COMPANIES

Organizational Structure

The Company is a member of an insurance holding company system as defined within IC 27-1-23 and Regulation of Insurance Holding Company Systems. An Insurance Holding Company System Registration Statement was filed annually with the INDOI for the examination period. The following abbreviated organizational chart depicts the Company's relationship within the holding company system:

	NAIC Company <u>Code</u>	Domiciliary <u>State</u>
American Family Insurance Mutual Holding Company		
AmFam Holdings, Inc.		WI
Adjacency Holdings, Inc.		WI
Moonrise, Inc.		
Networked Insights, Inc.		
SHGI Corp.		
Opterrix, Inc.		
American Family Insurance Institute for Corporate and Social Impact, Inc.		
New Ventures, LLC		
AmFam VC Management LLC		
AmFam VC Fund III GP, LLC		
AmFam VC SPV II, LP		
AmFam VC SPV I, LP		
AmFam VC Fund III LP		
American Family Mutual Insurance Company, S.I.	19275	WI
American Family Financial Services, Inc.		
AFICS, Inc. (formerly known as American Family Insurance Claims Services, Inc.)		
American Family Connect Property and Casualty Insurance Company	29068	WI
American Family Connect Insurance Company	12504	WI
American Family Connect Insurance Agency, Inc.		
Midvale Indemnity Company	27138	WI
American Standard Insurance Company of Ohio	10387	WI
American Family Insurance Company	10386	WI
American Standard Insurance Company of Wisconsin	19283	WI
American Family Life Insurance Company	60399	WI
AmFam QOF, LLC		
Milwaukee AMBROZ, LLC		
American Family Brokerage, Inc.		
AmFam Inc.		
Homesite Group Incorporated		WI
Homesite General Agent LLC		WI
Homesite Indemnity Company		
Homesite Underwriting Managers LLC	20419	WI
Homesite Insurance Company of New York	10986	NY
Homesite Insurance Company of Georgia	10745	GA
Trusted Resource Underwriters, LLC		
Trusted Resource Underwriters Exchange	16881	FL
Homesite Insurance Company of Illinois	11016	IL
Homesite Insurance Agency, Inc.		
Homesite Insurance Company of Florida	11156	IL
Homesite Insurance Company of the Midwest	13927	WI
Texas-South of Homesite, Inc.		
Homesite Lloyd's of Texas	11237	TX
Homesite Insurance Company of California	11005	CA
Main Street America Group, Inc.		
NGM Insurance Company	14788	FL

Austin Mutual Insurance Company	13412	MN
Spring Valley Mutual Insurance Company	11028	MN
Grain Dealers Mutual Insurance Company	22098	IN
Main Street America Financial Corporation		FL
Main Street America Assurance Company	29939	FL
MSA Information Systems & Services Corp.		
Old Dominion Insurance Company	40231	FL
Main Street America Holding, Inc.		
MSA Insurance Company	11066	SC
Main Street America Capital Corp.		
Main Street America Protection Insurance Company	13026	FL
PGC Holdings Corp.		WI
Permanent General Assurance Corp of OH	22906	WI
The General Automobile Insurance Company, Inc.	13703	WI
Permanent General Companies, Inc.		
Permanent General Assurance Corporation	37648	WI
PGA Service Corporation		
The General Automobile Insurance Services of Georgia, Inc.		
The General Automobile Insurance Services of Louisiana, Inc.		
The General Automobile Insurance Services of Ohio, Inc.		
The General Automobile Insurance Services of Texas, Inc.		
The General Automobile Insurance Services, Inc.		
The AssureStart Insurance Agency LLC		

Affiliated Agreements

The following significant affiliated agreements were disclosed as part of the Form B Holding Company Registration Statement and were filed with, and not disapproved by, the INDOI in accordance with IC 27-1-23-4(b)(4).

Second Amended and Restated Intercompany Services and Cost Allocation Agreement

Effective January 1, 2021, the Company became a party to the Second Amended and Restated Intercompany Services and Cost Allocation Agreement with American Family Mutual Insurance Company, S.I. (AFMICSI) and other AmFam affiliates. Under this agreement, AFMICSI may provide to the other parties, and one or more of the other parties may provide to AFMICSI, goods, third party services, management, and other direct services. The compensation methodology in the agreement is structured to assure that service providers receive appropriate payments from service recipients so that the service providers have no net cost for providing the goods, third party services, and management services, and so that no service recipient pays more than the service provider's cost for the goods, third party services, and management services.

Master Affiliation Agreement

The Company entered into a Master Affiliation Agreement with NGM effective November 30, 2009. Under this agreement, the Company and NGM will accomplish various mutually beneficial goals. These include, but are not limited to, expanded sources of distribution, providing more effective technology and other infrastructure services to the Company, allow NGM access to local market expertise of the Company, and strengthen the Company's financial condition. There were no fees paid during 2021 under this agreement.

Reinsurance Agreements

Please refer to the "Reinsurance" section of this Report of Examination for a summary of the intercompany reinsurance agreement.

FIDELITY BOND AND OTHER INSURANCE

The Company is protected by a fidelity bond issued by National Union Fire Insurance Company of Pittsburgh, PA. The Company is insured for losses up to \$10,000,000 per loss and an aggregate loss limit of \$20,000,000 with a \$1,000,000 deductible. The fidelity bond limit was adequate to meet the prescribed minimum coverage specified by the NAIC. Other various interests of the Company are protected by appropriate policies of insurance.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company sponsors a contributory defined benefit pension plan covering all vested employees. As of December 31, 2014, the Company was required to accrue an actuarially determined amount. Effective May 31, 2003, all vested benefits were frozen.

STATUTORY AND SPECIAL DEPOSITS

The Company reported statutory and special deposits comprised of cash and U.S. Treasury Bonds held by various state insurance departments as of December 31, 2021:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For the Benefit of All Policyholders:		
Indiana	\$ 2,133,501	\$ 2,028,246
All Other Special Deposits:		
Arkansas	128,046	130,922
Missouri	502,110	463,823
New Mexico	396,700	383,989
North Carolina	563,678	572,786
Total Deposits	<u>\$ 3,724,035</u>	<u>\$ 3,579,766</u>

Note: Amounts are shown in whole dollars and columns may not total due to rounding.

REINSURANCE

Reinsurance Assumed

The Company assumed minimal reinsurance from Pools and Associations during the one-year under examination.

Reinsurance Ceded

Effective October 1, 2009, the Company entered into an Intercompany 100% Quota Share Reinsurance Agreement with NGM, whereby it cedes 100% of its underwriting results to NGM. The agreement stipulates that NGM will pay a ceding commission to the Company in the amount of five percent (5%) of net written premiums.

RESERVES

Kevin A. Cormier, FCAS, MAAA, Vice President and Head of Actuarial of the Main Street America Insurance Group, is the Appointed Actuary for the Company. Mr. Cormier was appointed by the Board to render an actuarial opinion on the statutory-basis reserves of the Company for 2021.

The scope of the opinion was to examine the actuarial assumptions and methods used in determining reserves and related actuarial items, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 2021. In forming the opinion on loss and loss adjustment expense reserves, information prepared by the Company was relied upon. This information was evaluated for reasonableness and consistency. In other respects, the examination included such review of the actuarial assumptions and methods used, and such tests of the calculations as considered necessary.

The 2021 opinion stated that the amounts carried in the balance sheet on account for loss reserves and loss adjustment reserves: 1) meet the requirements of the insurance laws of Indiana, 2) are computed in accordance with accepted actuarial standards, and 3) make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its policies and agreements.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The detail trial balance prepared from the Company's general ledger for the year ending December 31, 2021, was agreed to the Annual Statement without exception. The Company's independent auditors issued an unmodified opinion on the Company's audited Statutory Financial Statements for the one-year examination period. The audited Statutory Financial Statements were agreed to the Annual Statement for the year ending December 31, 2021, with no exceptions noted. All of the independent audit work papers were made available to Thomas Consulting during the examination.

Overall, Thomas Consulting determined the Company's accounting procedures, practices, and account records were satisfactory.

FINANCIAL EXHIBITS

Comparative Exhibit – Statutory Statement of Assets
Comparative Exhibit – Statutory Statement of Liabilities, Surplus and Other Funds
Comparative Exhibit - Statutory Statement of Income
Comparative Exhibit – Statutory Capital and Surplus Account

NOTE: Amounts are shown in whole dollars and columns may not total due to rounding.

GRAIN DEALERS MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Assets

As of December 31, 2021

	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Bonds	\$ 15,146,196	\$ -	\$ 15,146,196	\$ 15,658,633
Cash, cash equivalents and short-term investments	<u>1,344,238</u>	<u>-</u>	<u>1,344,238</u>	<u>198,193</u>
Subtotals, cash and invested assets	<u>\$ 16,490,434</u>	<u>\$ -</u>	<u>\$ 16,490,434</u>	<u>\$ 15,856,826</u>
Investment income due and accrued	\$ 72,494	\$ -	\$ 72,494	\$ 100,574
Amounts recoverable from reinsurers	696,874	-	696,874	-
Net deferred tax asset	1,205,299	-	1,205,299	1,017,286
Receivables from parent, subsidiaries, and affiliates	<u>294,199</u>	<u>-</u>	<u>294,199</u>	<u>138,050</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>\$ 18,759,300</u>	<u>\$ -</u>	<u>\$ 18,759,300</u>	<u>\$ 17,112,736</u>
Totals	<u>\$ 18,759,300</u>	<u>\$ -</u>	<u>\$ 18,759,300</u>	<u>\$ 17,112,736</u>

GRAIN DEALERS MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Liabilities, Surplus, and Other Funds

As of December 31, 2021

	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Losses	\$ -	\$ -	\$ -	\$ -
Loss adjustment expenses	-	-	-	-
Ceded reinsurance premiums payable	(97,293)	-	(97,293)	88,365
Provision for reinsurance	50,000	-	50,000	49,652
Aggregate write-ins for liabilities	7,678,725	-	7,678,725	1,645,506
Total liabilities	<u>\$ 7,631,432</u>	<u>\$ -</u>	<u>\$ 7,631,432</u>	<u>\$ 1,783,523</u>
Surplus notes	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000
Unassigned funds (surplus)	10,127,868	-	10,127,868	14,329,213
Surplus as regards policyholders	<u>\$ 11,127,868</u>	<u>\$ -</u>	<u>\$ 11,127,868</u>	<u>\$ 15,329,213</u>
Totals	<u><u>\$ 18,759,300</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,759,300</u></u>	<u><u>\$ 17,112,736</u></u>

GRAIN DEALERS MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Statement of Income

As of December 31, 2021

	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
Underwriting Income				
Premiums earned	\$ -	\$ -	\$ -	\$ -
DEDUCTIONS				
Losses incurred	-	-	-	-
Loss adjustment expenses incurred	-	-	-	-
Other underwriting expenses	<u>(1,499,524)</u>	-	<u>(1,499,524)</u>	<u>(1,338,860)</u>
Total underwriting deductions	<u>(1,499,524)</u>	-	<u>(1,499,524)</u>	<u>(1,338,860)</u>
Net underwriting gain	<u>\$ 1,499,524</u>	\$ -	<u>\$ 1,499,524</u>	<u>\$ 1,338,860</u>
Investment Income				
Net investment income earned	\$ 171,699	\$ -	\$ 171,699	\$ 206,762
Net realized capital gains (losses)	<u>4,236</u>	-	<u>4,236</u>	<u>75,436</u>
Net investment gain	<u>\$ 175,935</u>	\$ -	<u>\$ 175,935</u>	<u>\$ 282,198</u>
Net income before dividends to policyholders, after capital gains tax and before all federal and foreign income taxes	\$ 1,675,459	\$ -	\$ 1,675,459	\$ 1,621,058
Dividends to policyholders	-	-	-	-
Net income after dividends to policyholders, after capital gains tax and before all federal and foreign income taxes	\$ 1,675,459	\$ -	\$ 1,675,459	\$ 1,621,058
Federal and foreign income taxes incurred	<u>(1,236)</u>	-	<u>(1,236)</u>	<u>(55,790)</u>
Net Income	<u>\$ 1,676,695</u>	\$ -	<u>\$ 1,676,695</u>	<u>\$ 1,676,848</u>

GRAIN DEALERS MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Capital and Surplus Account

	<u>2021</u>	<u>2020</u>
Capital and Surplus Account		
Surplus as regards policyholders, December 31, prior year	\$15,329,213	\$12,922,348
Net income	\$ 1,676,695	\$ 1,676,848
Change in net unrealized capital gains or (losses) less capital gains tax	-	-
Change in net deferred income tax	921,693	(532,783)
Change in nonadmitted assets	(7,322,074)	598,027
Change in provision for reinsurance	(348)	(49,652)
Aggregate write-ins for gains and losses in surplus	<u>522,688</u>	<u>714,425</u>
Change in surplus as regards policyholders for the year	<u>\$(4,201,346)</u>	<u>\$ 2,406,865</u>
Capital and surplus, Surplus as regards policyholders, December 31 current year	<u>\$11,127,868</u>	<u>\$15,329,213</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to surplus as of December 31, 2021, based on the results of this examination.

OTHER SIGNIFICANT FINDINGS

There were no significant findings noted as a result of this examination.

SUBSEQUENT EVENTS

Subsequent to the period covered by this examination, the Company obtained certificates of authority in eight (8) additional states during 2022, including; Connecticut, Delaware, Maine, Oregon, Rhode Island, South Carolina, Vermont, and Wisconsin. The Company was licensed to write business in 34 states as of December 31, 2022.

MANAGEMENT REPRESENTATION

In support of contingencies and accuracy of information provided during the course of the examination, Thomas Consulting obtained a management representation letter in the standard NAIC format. This letter was executed by key financial personnel of the Company and provided to Thomas Consulting.

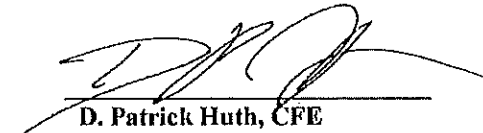
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-In-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from The Thomas Consulting Group, Inc., performed an examination of the **Grain Dealers Mutual Insurance Company** as of **December 31, 2021**.

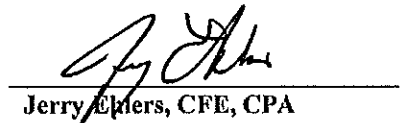
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

The examination was performed in accordance with those procedures required by the 2021 NAIC *Financial Condition Examiners Handbook* and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standard and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of condition of the **Grain Dealers Mutual Insurance Company** as of **December 31, 2021**, as determined by the undersigned.



D. Patrick Huth, CFE
The Thomas Consulting Group, Inc.



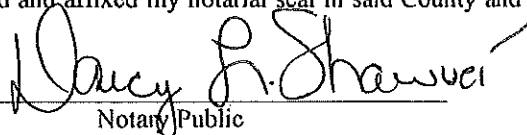
Jerry Ehlers, CFE, CPA
Indiana Department of Insurance

State of: Indiana
County of: Marion

On this 1st day of June, 2023, before me personally appeared, D. Patrick Huth and Jerry Ehlers to sign this document

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires October 4, 2025



Notary Public

DARCY L. SHAWVER
NOTARY PUBLIC
SEAL
MARION COUNTY, STATE OF INDIANA
MY COMMISSION EXPIRES OCTOBER 4, 2025
COMMISSION NO 708053

