

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

IN THE MATTER OF: )  
 )  
Indiana Farmers Mutual Insurance Company )  
10 West 106<sup>th</sup> Street )  
Indianapolis, IN 46290-1002 )

Examination of: **Indiana Farmers Mutual Insurance Company**


**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Indiana Farmers Mutual Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on March 1, 2017, 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 Indiana Farmers 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.

4/27/2017  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7016 2070 0001 1479 8544**

STATE OF INDIANA )  
 ) SS: BEFORE THE INDIANA  
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10 West 106<sup>th</sup> Street )  
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Examination of : **Indiana Farmers Mutual Insurance Company**

### FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Indiana Farmers Mutual Insurance Company (hereinafter "Company") for the time period January 1, 2011 through December 31, 2015.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on October 31, 2016.

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 March 1, 2017 and was received by the Company on March 13, 2017.

The Company did not file any objections.

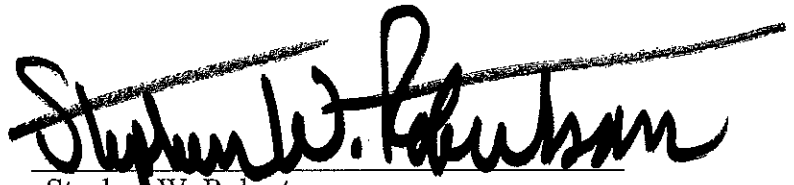
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Indiana Farmers Mutual Insurance Company as of December 31, 2015.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Indiana Farmers 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 27<sup>th</sup> day of  
April, 2017.

  
Stephen W. Robertson  
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.

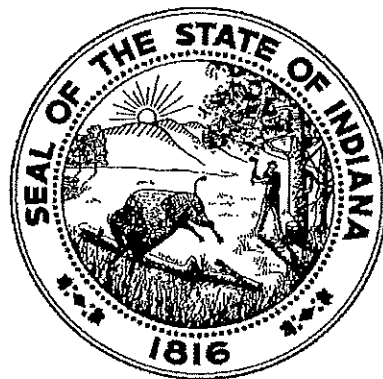
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**

**INDIANA FARMERS MUTUAL INSURANCE COMPANY**  
NAIC Co. CODE 22624

As of

December 31, 2015



## TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION.....	2
HISTORY.....	2
CAPITAL AND SURPLUS.....	2
DIVIDENDS TO POLICYHOLDERS.....	2
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE COMPANY.....	3
MANAGEMENT AND CONTROL.....	3
Policyholders.....	3
Directors.....	3
Officers.....	4
CONFLICT OF INTEREST.....	5
OATH OF OFFICE.....	5
CORPORATE RECORDS.....	5
Articles of Incorporation.....	5
Bylaws.....	5
Minutes.....	6
AFFILIATED COMPANIES.....	6
Organizational Structure.....	6
Affiliated Agreements.....	6
FIDELITY BOND AND OTHER INSURANCE.....	6
PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS.....	6
SPECIAL AND STATUTORY DEPOSITS.....	7
REINSURANCE.....	7
Ceded Reinsurance.....	7
Assumed Reinsurance.....	8
ACCOUNTS AND RECORDS.....	8
FINANCIAL STATEMENTS.....	9
Assets.....	9
Liabilities, Surplus and Other Funds.....	10
Statement of Income.....	11
Capital and Surplus Account Reconciliation.....	12
COMMENTS ON THE FINANCIAL STATEMENTS.....	13
OTHER SIGNIFICANT ISSUES.....	13
SUBSEQUENT EVENTS.....	13
AFFIDAVIT.....	14



# STATE OF INDIANA

# IDOI

ERIC HOLCOMB, Governor

## Indiana Department of Insurance

311 W. Washington Street, Suite 300

Indianapolis, Indiana 46204-2787

Telephone: (317) 232-2385

Fax: (317) 232-5251

Stephen W. Robertson, Commissioner

October 31, 2016

Honorable Stephen W. Robertson, 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 3891, an examination has been made of the affairs and financial condition of:

**Indiana Farmers Mutual Insurance Company**  
10 West 106<sup>th</sup> Street  
Indianapolis, Indiana 46290-1002

hereinafter referred to as the "Company", or "IFMIC", an Indiana domestic, property and casualty, mutual insurance company. The examination was conducted at the corporate offices of the Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2015, is hereby respectfully submitted.

ACCREDITED BY THE

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES  
(317) 232-2413

COMPANY COMPLIANCE  
(317) 233-0697

CONSUMER SERVICES  
(317) 232-2395  
1-800-622-4461

EXAMINATIONS/FINANCIAL SERVICES  
(317) 232-2390

MEDICAL MALPRACTICE  
(317) 232-2402

COMPANY RECORDS  
(317) 232-5692

STATE HEALTH INSURANCE PROGRAM  
1-800-332-4674

## SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI), and covered the period from January 1, 2006 through December 31, 2010. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2011 through December 31, 2015, 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 conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

David Shepherd, FCAS, MAAA, and Amy Peters, ACAS, MAAA, of Merlinos and Associates, Inc., were appointed by the INDOI to conduct a review of the Company's actuarially determined balances as of December 31, 2015. There were no actuarial adjustments resulting from the review performed.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may have been other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), were not included within the examination report but separately communicated to other regulators and/or the Company.

## HISTORY

The Company was organized and commenced business under the laws of the state of Indiana on August 29, 1877, under the name Patrons Mutual Insurance Company of Montgomery County, Indiana. The Company adopted its current name in 1934. Throughout the Company's history, several mutual insurance companies and farm mutuals have been merged into the Company. There were no mergers during the current examination period.

## CAPITAL AND SURPLUS

The Company is a mutual insurance company and has no capital stock authorized, issued, or outstanding.

## DIVIDENDS TO POLICYHOLDERS

The Company paid no dividends to policyholders during the examination period.



## TERRITORY AND PLAN OF OPERATION

The Company is a licensed insurer only in the state of Indiana. The Company is a multiple line carrier which has historically focused more on personal lines. The Company focus going forward will be to diversify writings to protect against weather related losses. The Company utilizes approximately 237 independent agency representatives to sell commercial multi-peril, farmowners, homeowners, personal auto, workers' compensation, and other coverages.

## 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>Surplus and Other Funds</u>	<u>Premiums Earned</u>	<u>Net Income (Loss)</u>
2015	\$ 391,022,927	\$ 210,956,977	\$ 180,065,950	\$ 184,788,045	\$ 20,795,894
2014	359,579,917	197,904,555	161,675,362	175,077,583	24,405,966
2013	331,680,072	192,298,656	139,381,416	161,769,519	14,155,743
2012	304,956,831	179,933,477	125,023,354	149,476,418	(22,030,530)
2011	294,426,872	153,658,918	140,767,954	146,665,240	13,626,344

With the exception of unusual weather related losses incurred in 2012, the Company has experienced an underwriting gain in every other year of the examination period. The Company has maintained a conservative approach to investments and combined with underwriting gains has increased surplus by approximately 40%.

## MANAGEMENT AND CONTROL

### Policyholders

As a mutual insurer, every policyholder of the Company, except the holder of a policy or contract of reinsurance, shall be a member and have the right to one (1) vote at each policyholders' or members' meeting regardless of the number of policies or amount of insurance he or she may have with the Company.

### Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than five (5) and no more than fifteen (15) directors. At least one (1) of the directors must be a resident of the state of Indiana. The Members elect Directors for a term of three (3) years so that as nearly as possible an equal number of Directors may be elected at each annual meeting.

The following is a listing of persons serving as directors at December 31, 2015, and their principal occupations as of that date:

Name and Address	Principal Occupation
Mark Alan Bates Crown Point, Indiana	President Pinnacle Insurance Group of Indiana, Inc.
Jeffrey Gene Belskus Zionsville, IL	President Indy Eleven
Daniel William Biddle West Lafayette, Indiana	Owner Biddle Farms, Biddle Seeds, and former Agent
Kedwin David Graber Berne, Indiana	Retired Owner and President Graber Insurance, Inc.
David Neil Griffiths Indianapolis, Indiana	Retired President and Chief Executive Officer Citizens Gas & Coke Utility
Floyd Neal Johnson (Chairman) Alexandria, Indiana	Retired Owner F. Neal Johnson Insurance Agency and D&J Realty
David Martin McIntosh Muncie, Indiana	President Club for Growth
Diann Ehrlich McKee Terre Haute, IN	Chief Financial Officer and Treasurer Indiana State University
Judith Grace Palmer Indianapolis, Indiana	Retired Vice President and Chief Financial Officer Indiana University
Kimberly Joan Smith Indianapolis, Indiana	President and Chief Executive Officer Indiana Farmers Mutual Insurance Company
James David Strietelmeier (Vice- Chairman) Anderson, Indiana	Retired Bank Executive
Daniel Eugene Stone Sheridan, Indiana	Retired, Chief Executive Officer Indiana Farmers Mutual Insurance Company

Officers

The Bylaws state that the elected officers of the Company shall consist of a President, a Secretary, a Treasurer, a Chairman of the Board, and a Vice Chairman of the Board, all for a term of one (1) year. The Board may also elect or appoint Executive Vice Presidents, Assistant Secretaries, and a General Counsel, all of whom shall serve at the pleasure of the Board.

The following is a list of key officers and their respective titles as of December 31, 2015:

<u>Name</u>	<u>Office</u>
Kimberly Joan Smith	President and Chief Executive Officer
Paul Gerard Seppel	Executive Vice President, Chief Financial Officer, and Treasurer
Judith Grace Palmer	Secretary
Buren Edward Jones	General Counsel
John Barton Anderson, III	Vice President
Wallace Ryan Campbell	Vice President and Chief Information Officer
Hamilton Gregg Huey, III	Senior Vice President and Chief Advisory Officer
Rick Alan Marden	Vice President
Cynthia Diane Mehrtens	Vice President
Glenn Anthony Toren	Senior Vice President and Chief Operating Officer

### **CONFLICT OF INTEREST**

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2015, and all other periods under examination.

### **OATH OF OFFICE**

IC 27-1-7-10(i) stipulates 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 Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2015.

### **CORPORATE RECORDS**

#### **Articles of Incorporation**

There were no amendments made to the Articles of Incorporation during the examination period.

#### **Bylaws**

There were two (2) amendments made to the Bylaws during the examination period. Effective May 21, 2013 Article IV, Section 3, of the Bylaws were amended to state, "The Vice-Chairman of the Board shall be a member of the Board and, in the absence of the Chairman of the Board, the Vice-Chairman of the Board shall preside at all meetings of the Board and at all meetings of the Executive Committee." Effective February 24, 2015, Article III, Section 3 of the Bylaws was amended to remove the statement, "and, except for Directors serving as of May 15, 2001, must be no more than seventy (70) years of age."

## Minutes

The Board and policyholder meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. For each year under review, the annual meeting of policyholders was held within five (5) months following the close of each fiscal year.

The Company committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Budget Committee, Executive Committee, Governance Committee, and Investment Committee.

## AFFILIATED COMPANIES

### Organizational Structure

As a mutual company, IFMIC is owned by its policyholders.

### Affiliated Agreements

The Company is not a member of a Holding Company System, there are no affiliated companies, and the Company has no affiliated agreements.

## FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by CNA Paramount. The bond has a single loss coverage limit of \$1,000,000, with a \$50,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2015, including but not limited to commercial general liability, commercial umbrella / excess liability, electronic data processing equipment liability, employment practices liability, management liability, network security liability, professional liability, standard workers' compensation and employers liability, and unintentional errors and omissions coverage.

## PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company sponsors a nonqualified, unfunded, non-contributory, deferred compensation plan covering certain individuals as defined in Sections 201(2) and 301(a)(3) of the Employment and Retirement Income Security Act of 1974 (ERISA). The plan shall be considered in reference to ERISA Section 401(a) (1) and to DOL Regulation Section 2520.104-23 and subject to the alternative method of compliance with reporting and disclosure requirements of Part 1 of Title 1 of ERISA. This plan was adopted in 2004. The Company has accrued liability of \$7,133,648 as of December 31, 2015 in accordance with Statutory Accounting principles, representing the vested net present value of the deferred compensation obligations computed using information at or near year end 2015.

The Company sponsors a plan called the Indiana Farmers Mutual Insurance Co 401(K) Retirement Plan & Trust. The plan is a qualified defined contribution money purchase plan and a qualified 401(K) plan. The plan is composed of two (2) component parts. The Company contributes 11% of base pay under the money purchase plan component and matches the first 2% of employee contributions under the 401(K) component. The Company's contribution for the plan was \$1,120,321 for calendar year 2015. The net assets for plan benefits were \$25,300,328 as of 12/31/2015.

**SPECIAL AND STATUTORY DEPOSITS**

The Company reported the following special and statutory deposits, at December 31, 2015:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For the Benefit of All Policyholders:		
Indiana	\$ 100,570	\$ 100,235
Total Deposits	<u>\$ 100,570</u>	<u>\$ 100,235</u>

**REINSURANCE**

Ceded Reinsurance

The Company utilizes reinsurance to limit its maximum per-risk exposure to not more than \$550,000 per loss. The Company maintains catastrophe reinsurance, which is designed to limit the Company's overall loss arising from a single event. This reinsurance program consists of several property and casualty excess of loss treaties and a three-layer catastrophe excess of loss program. The Company utilizes various catastrophe aggregate, umbrella, facultative, boiler and equipment breakdown, and equipment breakdown agreements. A summary of all reinsurance agreements follows:

- 1<sup>st</sup> Casualty & Property Excess of Loss with Swiss Reinsurance America Corporation (Swiss Re) provides for coverage of \$450,000, excess of \$550,000.
- 2<sup>nd</sup> Casualty & Property Excess of Loss with Swiss Re provides for coverage of \$2,000,000, excess of \$1,000,000.
- 3<sup>rd</sup> and 4<sup>th</sup> Casualty Excess of Loss with Willis Re, Inc., provides for coverage of \$5,000,000, excess of \$3,000,000 and \$5,000,000 excess of \$8 million on casualty business.
- Catastrophe Reinsurance with Willis Re, Inc., is provided through three (3) layers of coverage totaling \$74,000,000, excess of \$6,000,000.
- Umbrella Reinsurance with Swiss Re provides for coverage of 90% of the first \$5,000,000.
- Facultative Reinsurance with Munich Re provides coverage for property risks that exceed the excess of loss program. Limited property amounts up to 10% of \$3,000,000 are reinsured with Swiss Re on a special acceptance basis. Property risks exceeding \$3,300,000 have obligatory placement. Coverage can be for up to \$10,000,000, excess of \$3,000,000.
- Boiler & Equipment Breakdown – Commercial Lines with Hartford Steam Boiler provides 100% quota share coverage.
- Employment Practices Liability with Gen Re provides EPLI coverage up to \$100,000 (Package Policy) or up to \$1 million (Monoline). ECO, XPL and DJ are covered up to \$100,000 for both Package Policy and Monoline.

### Assumed Reinsurance

The Company does not actively participate in the assumed reinsurance market. The Company does participate in statutorily mandated pools, the National Council of Compensation Insurance, the Indiana Compensation Rating Bureau, and the Automobile Insurance Plan Service Office. These statutorily mandated pools were deemed to be financially insignificant to the Company.

### ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2014 and December 31, 2015, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2011 through December 31, 2015, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

INDIANA FARMERS MUTUAL INSURANCE COMPANY  
Assets  
As of December 31, 2015

	Per Examination*
Bonds	\$ 237,537,836
Stocks:	
Common stocks	64,259,844
Real estate:	
Properties occupied by the company	220,701
Cash, cash equivalents and short-term investments	14,074,465
Subtotals, cash and invested assets	316,092,846
Investment income due and accrued	3,190,973
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	3,304,222
Deferred premiums, agents' balances and installments booked but deferred and not yet due	48,199,173
Reinsurance:	
Amounts recoverable from reinsurers	292,876
Other amounts receivable under reinsurance contracts	1,036,968
Current federal and foreign income tax recoverable and interest thereon	1,770,735
Net deferred tax asset	12,909,401
Electronic data processing equipment and software	146,799
Aggregate write-ins for other-than-invested assets	4,078,936
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	391,022,927
Total **	\$ 391,022,927

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

\*\* The balance includes immaterial rounding differences.

INDIANA FARMERS MUTUAL INSURANCE COMPANY  
 Liabilities, Surplus and Other Funds  
 As of December 31, 2015

	Per Examination*
Losses	\$ 81,641,159
Loss adjustment expenses	8,311,473
Commissions payable, contingent commissions and other similar charges	3,500,935
Other expenses	4,556,607
Taxes, licenses and fees	140,875
Unearned premiums	98,405,795
Advance premium	2,126,221
Ceded reinsurance premiums payable	281,194
Amounts withheld or retained by company for account of others	329,099
Provision for reinsurance	19,406
Drafts outstanding	4,510,566
Aggregate write-ins for liabilities	7,133,648
Total liabilities excluding protected cell liabilities **	210,956,977
Total liabilities **	210,956,977
Unassigned funds (surplus)	180,065,950
Surplus as regards policyholders	180,065,950
Totals **	\$ 391,022,927

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\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

\*\* The balance includes immaterial rounding differences.



INDIANA FARMERS MUTUAL INSURANCE COMPANY  
Statement of Income  
For the Year Ended December 31, 2015

	Per Examination*
UNDERWRITING INCOME	
Premiums earned	\$ 184,788,045
DEDUCTIONS	
Losses incurred	98,355,248
Loss adjustment expenses incurred	10,809,558
Other underwriting expenses incurred	59,206,322
Total underwriting deductions	168,371,128
Net underwriting gain (loss)	16,416,917
INVESTMENT INCOME	
Net investment income earned	10,245,544
Net realized capital gains (losses) less capital gains tax	2,296,595
Net investment gain (loss)	12,542,139
OTHER INCOME	
Net gain (loss) from agents' or premium balances charged off	(277,606)
Finance and service charges not included in premiums	1,498,691
Aggregate write-ins for miscellaneous income	(181,082)
Total other income	1,040,003
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	29,999,059
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	29,999,059
Federal and foreign income taxes incurred	9,203,165
Net income **	\$ 20,795,894

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

\*\* The balance includes immaterial rounding differences.

INDIANA FARMERS MUTUAL INSURANCE COMPANY  
Capital and Surplus Account Reconciliation

	2015	2014	2013	2012	2011
Surplus as regards policyholders, December 31 prior year	\$161,675,362	\$139,381,416	\$125,023,354	\$140,767,954	\$128,686,837
Net income	20,795,894	24,405,966	14,155,743	(22,030,530)	13,626,344
Change in net unrealized capital gains or (losses) less capital gains tax	(3,155,698)	(2,850,539)	4,131,654	626,975	(974,665)
Change in net deferred income tax	734,332	406,770	(3,689,361)	5,367,897	(78,986)
Change in nonadmitted assets	(27,182)	(75,094)	(1,053)	18,735	(4,031)
Change in provision for reinsurance	43,241	406,844	(158,727)	272,323	(487,543)
Aggregate write-ins for gains and losses in surplus	-	-	(80,198)	-	-
Change in surplus as regards policyholders for the year	18,390,587	22,293,948	14,358,057	(15,744,599)	12,081,118
Surplus as regards policyholders, December 31 current year**	<u>\$180,065,950</u>	<u>\$161,675,362</u>	<u>\$139,381,416</u>	<u>\$125,023,354</u>	<u>\$140,767,954</u>

\*\* The balance includes immaterial rounding differences.

### COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2015, based on the results of this examination.

### OTHER SIGNIFICANT ISSUES

There were no other significant issues as of December 31, 2015, based on the results of this examination.

### SUBSEQUENT EVENTS

The Chairman of the Board of Directors of Indiana Farmers Mutual Insurance Company resigned his position as Chairman as well as his position on the Board of Directors effective October 25, 2016.

Pursuant to the Bylaws of the Company, the Vice-Chairman will be assuming the duties of the Chairman until the next annual meeting of the policyholders in May 2017.

There were no further events subsequent to the examination date and prior to the completion of fieldwork that were considered material events requiring disclosure in this Report of Examination.



**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 Noble Consulting Services, Inc., and actuarial assistance from Merlinos & Associates, Inc., performed an examination of Indiana Farmers Mutual Insurance Company, as of December 31, 2015.

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

This examination was performed in accordance with those procedures required by the 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 standards 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 Indiana Farmers Mutual Insurance Company as of December 31, 2015, as determined by the undersigned.

  
\_\_\_\_\_  
James Kattman, CFE  
Noble Consulting Services, Inc.

State of: Indiana  
County of: Marion

On this 21 day of NOVEMBER 2016, before me personally appeared, James Kattman, 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:  \_\_\_\_\_  
Notary Public

