

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, Indiana 46290** )

Examination of: **Indiana Farmers 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 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 April 29, 2022, 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.

6/16/2022  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 6710**

STATE OF INDIANA ) BEFORE THE INDIANA  
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IN THE MATTER OF: )  
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**Indiana Farmers Mutual Insurance Company** )  
**10 West 106<sup>th</sup> Street** )  
**Indianapolis, Indiana 46290** )

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, 2016 through December 31, 2020.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on February 24, 2022.

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 April 29, 2022 and was received by the Company on May 5, 2022.

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, 2020.
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 16 day of  
June, 2022.

  
\_\_\_\_\_  
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.

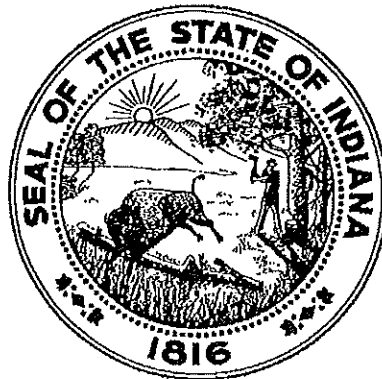
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

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

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

As of

December 31, 2020



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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](http://in.gov/idoi)

February 24, 2022

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 4086, 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**

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, 2020, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2389    COMPANY COMPLIANCE 317-232-3495    CONSUMER SERVICES 317-232-2395/1-800-622-4461    FINANCIAL SERVICES 317-232-2390    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, and covered the period from January 1, 2011 through December 31, 2015. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2016 through December 31, 2020, 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.

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 be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are 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 in Indiana, Illinois, Kentucky, Ohio, and Tennessee. The Company is a multiple line carrier maintaining a relatively consistent mix of personal lines, commercial lines, and farm business. Beginning in 2019, the Company expanded operations into the state of Illinois. In addition, the Company expanded operations in 2019 into the state of Kentucky, solely for Indiana or Illinois related risks with incidental workers' compensation exposure in Kentucky.



The Company uses independent agents exclusively as their distribution channel, including personal automobile insurance quoted and purchased online, which is then assigned to an independent agent. The Company had 226 appointed agencies in over 496 locations throughout the states of Indiana and Illinois as of December 31, 2020.

### GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Surplus and Other Funds	Premiums Earned	Net Income
2020	\$ 516,268,867	\$ 262,400,270	\$ 253,868,597	\$ 237,787,378	\$ 18,665,630
2019	491,954,755	259,252,043	232,702,712	231,055,275	8,600,123
2018	462,873,428	242,577,473	220,295,955	218,406,417	16,625,438
2017	433,275,493	222,970,192	210,305,301	203,934,671	19,649,863
2016	428,363,859	233,014,343	195,349,516	193,856,569	13,472,427

\* The balances include immaterial balancing differences.

The underwriting gain for the year ended December 31, 2020, was \$15.3 million as compared to a loss of \$(9.9) million in 2019. Primarily driving the 2020 underwriting gain were personal lines with \$7.3 million in 2020, commercial lines with \$4.7 million and farm lines with \$3.3 million. Ceded reinsurance helped mitigate the impact of certain large losses and weather-related losses in 2020.

Policyholder surplus increased by \$21.2 million from 2019 to 2020, bringing total policyholder surplus to \$253.9 million as of December 31, 2020. The increase in surplus year-over-year was primarily due to \$18.7 million of net income, a \$0.5 million change in unrealized investments (net of tax), and the change in non-admitted assets and deferred tax assets.

### 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 as of December 31, 2020, and their principal occupations as of that date:

Name and Address	Principal Occupation
Mark Alan Bates, Vice Chair Crown Point, Indiana	President Pinnacle Insurance Group of Indiana, Inc.
Jeffrey Gene Belskus Zionsville, Illinois	President Indy Sports and Entertainment L.L.C.
Daniel William Biddle West Lafayette, Indiana	Owner Biddle Farm, Biddle Seeds, and former Agent
Dianna Ehrlich McKee Terre Haute, Indiana	Chief Financial Officer and Treasurer Indiana State University
David Martin McIntosh Arlington, Virginia	President Club for Growth
Judith Grace Palmer, Chair Indianapolis, Indiana	Retired, Vice President and Chief Financial Officer Indiana University
Kelly Dean Pfladderer Indianapolis, Indiana	Retired, Chief Executive Officer Apparatus, Inc.
Kimberly Joan Smith Indianapolis, Indiana	President and Chief Executive Officer Indiana Farmers Mutual Insurance Company
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. With the exception of the Chairman of the Board, all officers shall serve 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, 2020:

Name	Office
Kimberly Joan Smith	President and Chief Executive Officer
Buren Edward Jones	Vice President, General Counsel and Secretary
Jennifer Dean Pressley	Senior Vice President, Chief Financial Officer and Treasurer
John Barton Anderson III	Vice President
Chad Michael Beehler	Vice President
David Aaron Bordenkecher	Vice President
Wallace Ryan Campbell	Vice President, Chief Information Officer
Kevin Michael Kelly	Vice President
Rick Alan Marden	Vice President
Scott Willis Miller	Vice President

## 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, 2020.

## 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, 2020.

## CORPORATE RECORDS

### Articles of Incorporation

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

### Bylaws

Amended Bylaws were adopted on May 16, 2017, to effect the following changes:

- Article Three, Section Four: changed the word “may” to “shall” for the filling of vacancies on the Board of Directors.
- Article Three, Section Seven: establish a three-year term and term limits for the Chairman of the Board.
- Article Four, Section Three: expanded and clarified the duties of the Vice Chairman of the Board.

### Minutes

The Board and shareholders 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. The Company’s Bylaws state that the Annual Meeting of Members of the Company for the election of Directors and the transaction of such other business as may properly come before the meeting shall be held annually on the third Tuesday of May at nine o’clock a.m. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year in compliance with IC 27-1-7-7(b).

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 Federal Insurance Company. The bond has a single loss coverage limit of \$1,250,000 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 as of December 31, 2020, including but not limited to auto, cyber liability, excess directors and officers, financial institution bond, management liability, workers' compensation and umbrella.

### PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company sponsors a defined contribution plan called 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 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 contributions for the plan were \$1.7 million as of December 31, 2019, and \$1.7 million as of December 31, 2020. The net assets for plan benefits were \$35.6 million as of December 31, 2019, and \$41.0 million as of December 31, 2020.

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 Department of Labor 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 a liability of \$11.2 million as of December 31, 2020, 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 2020.

### SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits as of December 31, 2020:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	<u>\$1,504,259</u>	<u>\$1,531,465</u>
Total Deposits	<u>\$1,504,259</u>	<u>\$1,531,465</u>

## REINSURANCE

### Ceded Reinsurance

The Company utilizes reinsurance to limit its maximum per-risk exposure. 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, a three (3) layer catastrophe excess of loss program, and a multiline aggregate stop loss treaty. The Company utilizes add on products such as equipment breakdown, employment practices liability, contractors' errors and omissions and limited jobsite pollution, and cyber liability coverage. A summary of all reinsurance agreements follows:

- Multiline Excess of Loss Treaty with the subscribing reinsurer(s) executing the interests and liabilities agreement(s) with Willis Re, Inc. (Willis Re) as the reinsurance intermediary. This treaty provides for coverage of \$5.25 million excess of \$750 thousand on property and casualty business.
- Casualty Excess of Loss Treaty with the subscribing reinsurer(s) executing the interests and liabilities agreement(s) with Willis Re as the reinsurance intermediary. This treaty provides for coverage of \$5 million excess of \$6 million including primary liability coverages and umbrella coverages.
- Workers' Compensation Catastrophe Excess of Loss Treaty with the subscribing reinsurer(s) executing the interests and liabilities agreement(s) with Willis Re as the reinsurance intermediary. This treaty provides for coverage of \$25 million excess of \$11 million. Maximum coverage for one (1) life is \$11 million.
- \* Auto-Facultative Property Treaty with General Reinsurance Corporation. This treaty provides coverage for property risks. Property risks exceeding \$6 million of exposure have obligatory placement of up to \$15 million. Property risks exceeding \$21 million taken to reinsurance market for facultative placement.
- \* Property Catastrophe Treaty with the subscribing reinsurer(s) executing the interests and liabilities agreement(s) with Willis Re as the reinsurance intermediary. This treaty provides coverage for three (3) layers stacked to provide \$104 million excess of \$6 million with an annual aggregate deductible of \$2,000,000.
- \* Multi-Line Aggregate Stop Loss insurance with Willis Re provides for coverage of \$20 million excess of 72% net loss ratio. The Company's co-participation (vertical retention) is 21.5% and applies to all lines of business on an accident year basis.
- \* Equipment Breakdown Reinsurance with Mutual Boiler Re provides for coverage of 100% quota share for commercial lines only with 35% ceding commission.
- \* Employment Practices Liability Reinsurance with Gen Re provides for coverage of 50% quota share for first \$100,000 with 27.5% ceding commission, and coverage of 90% quota share for up to \$900,000 excess of \$100,000 with 27.5% ceding commission.
- \* Contractors Errors and Omissions and Limited Jobsite Pollution Reinsurance with Berkley Re. Coverage is 90% quota share with 27.5% ceding commission.
- \* Cyber Liability Coverage with Berkley Re America LLC provides for coverage of 100% quota share for commercial lines only with 30% ceding commission.

### Assumed Reinsurance

The Company does not actively participate in the assumed reinsurance market. The Company does participate in statutory 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, 2020 and December 31, 2019, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2016 through December 31, 2020, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

## FINANCIAL STATEMENTS

### INDIANA FARMERS MUTUAL INSURANCE COMPANY

#### Assets

As of December 31, 2020

	<u>Per Examination*</u>
Bonds	\$ 341,020,154
Stocks:	
Common stocks	19,123,193
Real estate:	
Properties occupied by the company	3,467,819
Cash, cash equivalents and short-term investments	<u>61,244,497</u>
Subtotals, cash and invested assets	424,855,664
Investment income due and accrued	3,778,872
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	3,111,202
Deferred premiums, agents' balances and installments booked but deferred and not yet due	63,890,953
Reinsurance:	
Amounts recoverable from reinsurers	907,273
Other amounts receivable under reinsurance contracts	968,174
Net deferred tax asset	10,510,084
Electronic data processing equipment and software	242,468
Aggregate write-ins for other-than-invested assets	<u>8,004,178</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	516,268,867
Total	<u>\$ 516,268,867</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts. The balances include immaterial balancing differences.

INDIANA FARMERS MUTUAL INSURANCE COMPANY  
Liabilities, Surplus and Other Funds  
As of December 31, 2020

	Per Examination*
Losses	\$ 94,705,654
Loss adjustment expenses	10,525,688
Commissions payable, contingent commissions and other similar charges	4,358,290
Other expenses	8,004,583
Taxes, licenses and fees	343,449
Current federal and foreign income taxes on realized capital gains (losses)	602,358
Unearned premiums	127,758,364
Advance premium	2,785,898
Ceded reinsurance premiums payable	892,118
Funds held by company under reinsurance treaties	36,257
Amounts withheld or retained by company for account of others	147,647
Provision for reinsurance	357,786
Drafts outstanding	-
Payable for securities	685,972
Aggregate write-ins for liabilities	11,196,206
Total liabilities excluding protected cell liabilities	262,400,270
Total liabilities	262,400,270
Unassigned funds (surplus)	253,868,597
Surplus as regards policyholders	253,868,597
Totals	\$ 516,268,867

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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 balances include immaterial balancing differences.



INDIANA FARMERS MUTUAL INSURANCE COMPANY  
Statement of Income  
For the Year Ended December 31, 2020

	<u>Per Examination*</u>
<b>UNDERWRITING INCOME</b>	
Premiums earned	\$ <u>237,787,378</u>
<b>DEDUCTIONS</b>	
Losses incurred	129,135,231
Loss adjustment expenses incurred	12,785,126
Other underwriting expenses incurred	80,548,471
Total underwriting deductions	<u>222,468,828</u>
Net underwriting gain	<u>15,318,550</u>
<b>INVESTMENT INCOME</b>	
Net investment income earned	10,450,313
Net realized capital (losses)	<u>(3,544,249)</u>
Net investment gain	<u>6,906,064</u>
<b>OTHER INCOME</b>	
Net (loss) from agents' or premium balances charged off	(428,795)
Finance and service charges not included in premiums	745,710
Aggregate write-ins for miscellaneous income	1,535,897
Total other income	<u>1,852,811</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>24,077,425</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	24,077,425
Federal and foreign income taxes incurred	5,411,795
Net income	<u>\$ 18,665,630</u>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts. The balances include immaterial balancing differences.

INDIANA FARMERS MUTUAL INSURANCE COMPANY  
Capital and Surplus Account Reconciliation

	<u>Per Examination*</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Surplus as regards policyholders, December 31 prior year	\$232,702,712	\$220,295,955	\$210,305,301	\$195,349,516	\$180,065,949
Net income	18,665,630	8,600,123	16,625,438	19,649,863	13,472,427
Change in net unrealized capital gains or (losses) less capital gains tax	485,876	4,513,270	(5,292,395)	836,516	1,478,160
Change in net deferred income tax	1,385,297	578,160	1,069,261	(4,684,711)	421,087
Change in nonadmitted assets	954,399	(1,252,327)	(2,414,309)	(843,224)	(107,513)
Change in provision for reinsurance	(325,317)	(32,469)	2,659	(2,659)	19,406
Change in surplus as regards policyholders for the year	<u>21,165,885</u>	<u>12,406,757</u>	<u>9,990,654</u>	<u>14,955,786</u>	<u>15,283,567</u>
Surplus as regards policyholders, December 31 current year	<u>\$253,868,597</u>	<u>\$232,702,712</u>	<u>\$220,295,955</u>	<u>\$210,305,301</u>	<u>\$195,349,516</u>

\* The balances include immaterial balancing differences.

### COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2020, based on the results of this examination.

### OTHER SIGNIFICANT ISSUES

There were no other significant issues noted during the examination.

### SUBSEQUENT EVENTS

There were no events subsequent to the examination date and prior to the completion of field work which 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, 2020.

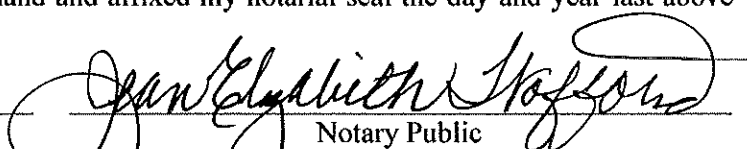
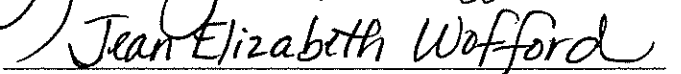
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

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, 2020, as determined by the undersigned.

  
Barry Armstrong, CFE  
Noble Consulting Services, Inc.

On this 7<sup>th</sup> day of June, 2022, before me personally appeared, Barry Armstrong, to sign this document. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

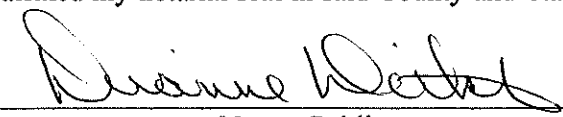
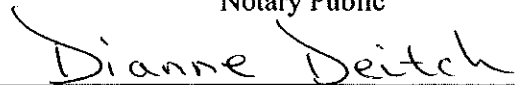
My commission expires: 11-7-2029  
  
Notary Public  
  
Notary Public

Under the Supervision of:

  
Jerry Ehlers, CFE, AES  
Examinations Manager  
Indiana Department of Insurance

State of: Indiana  
County of: Marion

On this 15<sup>th</sup> day of June, 2022, before me personally appeared, 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: 2/16/2028  
  
Notary Public  
  
Notary Public

