

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

IN THE MATTER OF:)

Grain Dealers Mutual Insurance Company)
600 E. 96th Street, Suite 200)
Indianapolis, Indiana 46240)

Examination of: Grain Dealers Mutual Ins. Co.

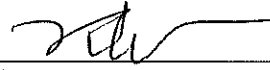
NOTICE OF ENTRY OF ORDER

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 amended by the Final Order, 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.

May 4, 2022
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 6543

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

IN THE MATTER OF:)
)
Grain Dealers Mutual Insurance Company)
600 E. 96th Street, Suite 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, 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 April 29, 2022.

On May 2, 2022, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company’s response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2020.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance 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, as amended, 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, as amended. 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 4 day of May, 2022.

Amy L. Beard
Amy L. Beard
Insurance Commissioner

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 Co. CODE 22098
NAIC GROUP CODE 0473

As of
December 31, 2020

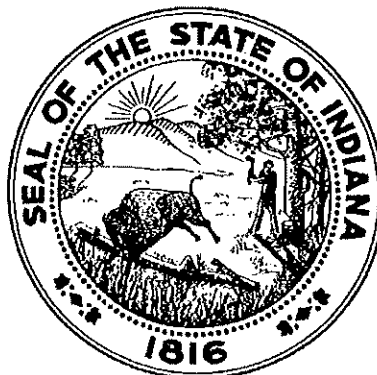


TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION	2
HISTORY.....	2
CAPITAL AND SURPLUS.....	3
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE COMPANY.....	3
MANAGEMENT AND CONTROL.....	4
Directors.....	4
Officers.....	4
CONFLICT OF INTEREST	5
OATH OF OFFICE	5
CORPORATE RECORDS.....	5
Articles of Incorporation	5
Bylaws.....	5
Minutes.....	5
AFFILIATED COMPANIES.....	6
Organizational Structure	6
Affiliated Agreements	7
FIDELITY BOND AND OTHER INSURANCE.....	8
PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS.....	8
SPECIAL AND STATUTORY DEPOSITS	8
REINSURANCE.....	9
Reinsurance Pool.....	9
Ceded Reinsurance.....	9
Assumed Reinsurance	9
ACCOUNTS AND RECORDS	9
FINANCIAL STATEMENTS	10
Assets	10
Liabilities, Surplus and Other Funds.....	11
Statement of Income.....	12
Capital and Surplus Account Reconciliation.....	13
COMMENTS ON THE FINANCIAL STATEMENTS	14
OTHER SIGNIFICANT ISSUES	14
SUBSEQUENT EVENTS.....	14
AFFIDAVIT.....	15



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

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 4077, an examination has been made of the affairs and financial condition of:

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

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

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 (INDOI) and covered the period from January 1, 2015 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.

The examination of the Florida domestic insurance companies of the Main Street America Group (MSA Group) was called by the Florida Office of Insurance Regulation (FLOIR) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. GDMIC is part of the MSA Group. The FLOIR served as the lead state on the examination, and the INDOI and the Minnesota Department of Commerce and Financial Services served as participants. The South Carolina Insurance Department elected not to participate in the current examination for their domestic insurer MSA Insurance Company.

Greg Fanoie, FCAS, MAAA, and Jeremy Hoch, ACAS, MAAA of Merlinos & Associates, Inc., were appointed by the FLOIR to conduct a review of the MSA Group's statutory reserves as of December 31, 2020.

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 mentioned 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

GDMIC was incorporated on December 23, 1902, as the Grain Dealers National Fire Insurance Company. The present title 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 GDMIC, 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 GDMIC.

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

On May 4, 2018, a merger between American Family Insurance Mutual Holding Company (AFIMHC) and the MSA Group was announced that will diversify risk and expand product and geographic reach. The merger was effective October 31, 2018, and the MSA Group now operates as a stand-alone brand within AFIMHC.

CAPITAL AND SURPLUS

The Company is a mutual insurance company and therefore owned by its policyholders. The Company did not pay dividends to the policyholders during the examination period. The Company is under control of NGM through a common Board of Directors (Board) and management agreement.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write business in twenty (20) states, but is active in only six (6) states. It writes multiple lines, primarily commercial multi-peril, with a business mix of 55% commercial multiple peril, 23% commercial auto liability, 11% commercial auto physical damage and 8% workers' compensation. The largest state is Oklahoma with 63% of direct premiums written.

Beginning January 1, 2010, the Company began ceding 100% of its business to NGM, thereby reducing the Company's underwriting expenses other than commissions to \$0. NGM's subsidiaries in the MSA Group cede 100% of the net underwritings to NGM who was the lead company. However, on October 31, 2018, Main Street American Group Mutual Holdings, Inc. merged with and into American Family Mutual Insurance Company, S.I. (AFMICS) and effective January 1, 2019, NGM entered into a loss portfolio transfer and a prospective 100% quota share agreement with AFMICS.

NGM still assumes 100% of the net under writings of GDMIC through a separate quota share reinsurance agreement. In a Form D, approved January 1, 2015, the Company amended the quota share reinsurance agreement wherein NGM pays affiliates commissions equal to 5% of net premiums ceded to the "pool" instead of a pro-rata portion of any underwriting gain.

Since the Company's only underwriting expense is the commissions it receives on its writings, it has experienced net underwriting gains and net income in each of the last five (5) years. The RBC ratio continues to be well above Company Action Level and was 12,500% at year-end 2020. Capital and surplus have increased from \$8.7 million in 2016 to \$15.3 million in 2020.

GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Surplus and Other Funds	Net Investment Income Earned	Net Income
2020	\$ 17,112,736	\$ 1,783,523	\$ 15,329,213	\$ 206,762	\$ 1,676,848
2019	15,336,036	2,413,689	12,922,348	244,654	1,426,365
2018	13,873,335	2,525,504	11,347,831	301,191	1,543,402
2017	12,384,732	1,556,733	10,827,999	183,156	1,401,620
2016	10,695,627	1,990,586	8,705,041	146,046	1,329,575

The steady increase in asset value is primarily related to the commission paid to GDMIC based on 5% of net earned

premium from the NGM Pool (the Pool).

The increase in liabilities from 2017 to 2018 was a direct result of a change in assumptions for the pension plan, one of which is the investment rate of return. The investment rate of return went from 7% in 2017 and 2018 to 5.5% in 2019 and to 5% in 2020.

The decrease in liabilities from 2019 to 2020 was primarily impacted by a contribution made in 2020 to the pension plan, and an overall increase in plan assets.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business and prudential affairs of the Company shall be managed by a Board, composed of no less than seven (7) and no more than seventeen (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, 2020, and their principal occupations as of that date:

<u>Name and Address</u>	<u>Principal Occupation</u>
Charles Arthur Arenson Zionsville, Indiana	State Sales Director American Family Insurance
Sarah Christine Bourdeau Hartford, Connecticut	Vice President NGM Insurance Company
Theresa Elaine Breunig-Silbernagel Sun Prairie, Wisconsin	Senior Vice President NGM Insurance Company
Joseph David Freitas Sturbridge, Massachusetts	Vice President, Chief Financial Officer, and Treasurer NGM Insurance Company
Kimberly Killian Law Ponte Verda Beach, Florida	Vice President and Secretary Main Street America Group
Christopher Robert Listau Waunakee, Wisconsin	President and Chief Executive Officer NGM Insurance Company
David Scot Medvidofsky Jacksonville, Florida	Senior Vice President American Family Insurance

Officers

The Bylaws state that at the annual meeting of the Board, there shall be elected from their number, a Chairperson and 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 and who shall serve at the pleasure 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, all of whom shall serve at the pleasure of the President. The Board may elect or appoint any person to two (2) or more offices. All officers shall be subject to 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, 2020:

<u>Name</u>	<u>Office</u>
Christopher Robert Listau	Chairman, President, and Chief Executive Officer
Joseph David Freitas	Treasurer
Kimberly Killian Law	Secretary

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

The Bylaws were amended on October 31, 2018, to remove the statement that "A majority of the Board shall consist of independent directors, who shall have no material relationship with the Company" from Article III, Section 1.

Minutes

The Board and member 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 shall be held on any day during the second week of March. For each year under review, the annual meeting of members was held during the second week of March.

The MSA Group committee meeting minutes for the examination period, and through the fieldwork date, were

reviewed for the following committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Finance Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and affiliates as of December 31, 2020:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
American Family Insurance Mutual Holding Company		WI
AmFam Holdings, Inc.		WI
Adjacency Holdings, Inc.		
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.		
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 Brokerage, Inc.		
AmFam Inc.		WI
Homesite Group Incorporated		WI
Homesite General Agent LLC		
Homesite Indemnity Company	20419	WI
Homesite Underwriting Managers LLC		
Homesite Insurance Company of New York	10986	NY
Homesite Insurance Company of Georgia	10745	GA
Trusted Resource Underwriters, LLC		

Trusted Resources Underwriting 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.		FL
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 affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

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, provide 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 2020 under this agreement.

Intercompany 100% Quota Share Reinsurance Agreements

In accordance with the Master Affiliation Agreement, NGM assumes 100% of the net underwriting results of GDMIC, Spring Valley Mutual Insurance Company (SVMIC) and Austin Mutual Insurance Company (AMIC) through a separate quota share reinsurance agreement. The separate quota share reinsurance agreement provides

that GDMIC, SVMIC, and AMIC will receive ceding commission based on their share of the Pool. The Amended Quota Share Reinsurance Agreement stipulates that NGM will pay 5% of net premiums to GDMIC. There were no fees paid during 2020 under this agreement.

Management and Services Agreement

The Company entered into a Management and Services Agreement with NGM effective November 30, 2009. Under the agreement, NGM will provide various services to the Company, including, but not limited to, oversight of the Company's business operations, investment portfolio management, pricing and related actuarial and state filing services, claims management and services, and accounting and financial reporting. There were no fees paid during 2020 under this agreement.

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 National Union Fire Insurance Company of Pittsburgh, PA. The bond has a single loss coverage limit of \$10 million with a single loss deductible of \$1 million. 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, business owner's policy, directors & officers liability, employment practices liability, fiduciary liability, professional liability, umbrella, and workers' compensation.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company sponsors a contributory defined benefit pension plan covering all vested former 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.

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	\$ 2,086,509	\$ 2,107,221
All Other Special Deposits:		
Arkansas	132,878	139,190
Missouri	456,982	460,123
New Mexico	400,766	401,584
North Carolina	587,023	608,958
Total Deposits	<u>\$ 3,664,158</u>	<u>\$ 3,717,077</u>

REINSURANCE

Reinsurance Pool

The MSA Group utilizes an intercompany pooling agreement in which NGM is the lead insurer and assumes 100% of the underwriting results, after external reinsurance of the pool, which consists of: MSA Assurance Company, MSA Protection Insurance Company, MSA Insurance Company (SC), and Old Dominion Insurance Company. The subsidiaries receive no ceding commission or retrocession from NGM. Additionally, NGM also assumes 100% of the net underwriting results of affiliates, GDMIC, SVMIC, and AMIC through separate quota share reinsurance agreements. These quota share reinsurance agreements provide that the three (3) affiliates will receive a 5% ceding commission based on their share of the pool (net premiums written).

Effective October 31, 2018, NGM's former ultimate parent, Main Street America Group Mutual Holdings, Inc., a Florida mutual insurance holding company, merged with AFIMHC, a Wisconsin mutual insurance holding company. Effective January 1, 2019, NGM entered into a Loss Portfolio Transfer and 100% Quota Share Reinsurance Agreement with AFMICSI, in which all of NGM's business, including assumed business from the MSA Affiliates, is ceded to AFMICSI.

Ceded Reinsurance

The Company cedes 100% of its underwriting results to NGM under the 100% Quota Share Reinsurance Agreement.

Assumed Reinsurance

The Company assumed minimal reinsurance from Pools and Associations during the year.

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 balance prepared from the Company's general ledger for the year ended December 31, 2020 was agreed to the respective Annual Statement. The Annual Statement for the year ended December 31, 2020 was agreed to the independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

FINANCIAL STATEMENTS

GRAIN DEALERS MUTUAL INSURANCE COMPANY

Assets

As of December 31, 2020

	<u>Per Examination*</u>
Bonds	\$ 15,658,633
Cash, cash equivalents and short-term investments	<u>198,193</u>
Subtotals, cash and invested assets	15,856,826
Investment income due and accrued	100,574
Net deferred tax asset	1,017,286
Receivables from parent, subsidiaries and affiliates	<u>138,050</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>17,112,736</u>
Totals	<u>\$ 17,112,736</u>

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

GRAIN DEALERS MUTUAL INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2020

	<u>Per Examination*</u>
Losses	\$ -
Ceded reinsurance premiums payable	88,365
Provision for reinsurance	49,652
Aggregate write-ins for liabilities	<u>1,645,506</u>
Total liabilities excluding protected cell liabilities	<u>1,783,523</u>
Total liabilities	<u>1,783,523</u>
Surplus notes	1,000,000
Unassigned funds (surplus)	<u>14,329,213</u>
Surplus as regards policyholders	<u>15,329,213</u>
Totals	<u>\$ 17,112,736</u>

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

GRAIN DEALERS MUTUAL INSURANCE COMPANY
Statement of Income
For the Year Ended December 31, 2020

	<u>Per Examination*</u>
UNDERWRITING INCOME	
Other underwriting expenses incurred	\$ (1,338,860)
Total underwriting deductions	<u>(1,338,860)</u>
Net underwriting gain (loss)	1,338,860
INVESTMENT INCOME	
Net investment income earned	206,762
Net realized capital gains (losses) less capital gains tax	<u>75,436</u>
Net investment gain (loss)	282,198
OTHER INCOME	
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>1,621,058</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	1,621,058
Federal and foreign income taxes incurred	<u>(55,790)</u>
Net income	<u>\$ 1,676,848</u>

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

GRAIN DEALERS MUTUAL INSURANCE COMPANY
Capital and Surplus Account Reconciliation

	2020	2019	2018	2017	2016
Surplus as regards policyholders, December 31 prior year	\$ 12,922,348	\$ 11,347,831	\$ 10,827,999	\$ 8,705,041	\$ 6,707,547
Net income	1,676,848	1,426,365	1,543,402	1,401,620	1,329,575
Change in net unrealized capital gains or (losses) less capital gains tax	-	-	41	102	(138)
Change in net deferred income tax	(532,783)	(475,143)	(142,339)	(4,566,828)	(585,008)
Change in nonadmitted assets	598,027	166,060	278,145	4,556,780	845,166
Change in provision for reinsurance	(49,652)	-	-	-	-
Aggregate write-ins for gains and losses in surplus	714,425	457,236	(1,159,417)	731,284	407,898
Change in surplus as regards policyholders for the year	2,406,865	1,574,518	519,832	2,122,958	1,997,493
Surplus as regards policyholders, December 31 current year	<u>\$ 15,329,213</u>	<u>\$ 12,922,348</u>	<u>\$ 11,347,831</u>	<u>\$ 10,827,999</u>	<u>\$ 8,705,041</u>

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 as of December 31, 2020, based on the results of this 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 they, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Merlinos & Associates, Inc., performed an examination of Grain Dealers 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 the condition of the Grain Dealers Mutual Insurance Company as of December 31, 2020, as determined by the undersigned.



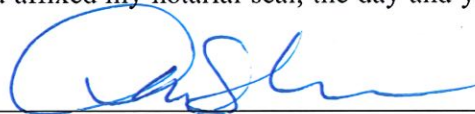
Pyong Yong Landoll, CFE
Noble Consulting Services, Inc.

On this 6 day of May, 2022, before me personally appeared, Pyong Yong Landoll, 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:

04/18/2026



Notary Public

Under the Supervision of:



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



State of: Indiana

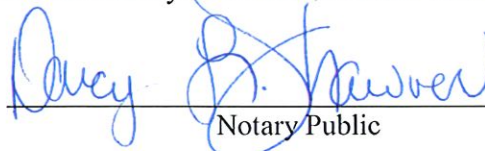
County of: Marion

On this 16th day of May, 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:

October 4, 2025



Notary Public

DARCY L. SHAWVER
NOTARY PUBLIC

SEAL

MARION COUNTY, STATE OF INDIANA
MY COMMISSION EXPIRES OCTOBER 4, 2025
COMMISSION NO 708083

