

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

IN THE MATTER OF:)
)
Bartholomew County German Mutual Insurance Company)
P.O. Box 156)
15909 N 179 W)
Edinburgh, Indiana 46124)

Examination of: **Bartholomew County German Mutual Insurance Company**

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Holly W. Lambert, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Bartholomew County German Mutual Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on February 10, 2025, 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 Bartholomew County German 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.

Date

April 3, 2025

Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 7304

STATE OF INDIANA) BEFORE THE INDIANA
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IN THE MATTER OF:)
Bartholomew County German Mutual Insurance Company)
P.O. Box 156)
15909 N 179 W)
Edinburgh, Indiana 46124)

Examination of: Bartholomew County German Mutual Insurance Company

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Bartholomew County German Mutual Insurance Company (hereinafter “Company”) for the time period January 1, 2018 through December 31, 2022.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on July 30, 2023.

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 February 10, 2025 and was received by the Company on February 13, 2025.

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 Bartholomew County German Mutual Insurance Company as of December 31, 2022.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Bartholomew County German 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 30 day of
April, 2025.



Holly W. Lambert
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

**BARTHolemew County German Mutual Insurance
Company**

NAIC Co. Code 92281

As of

December 31, 2022

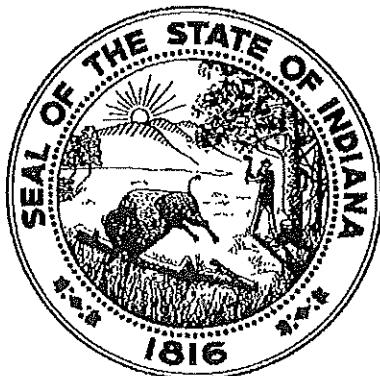


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STATE OF INDIANA

MIKE BRAUN, GOVERNOR

Indiana Department of Insurance

Holly W. Lambert, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-3520
Fax: 317-232-5251
Website: in.gov/idoi

August 30, 2023

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

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4167, an examination has been made of the affairs and financial condition of:

Bartholomew County German Mutual Insurance Company
P.O. Box 156
15909 N 179 W
Edinburgh, Indiana 46124

Bartholomew County German Mutual Insurance Company (the Company) is an Indiana domiciled, farm mutual insurance company.

Ingardus, LLC conducted the examination remotely with the cooperation of the Company.

The Report of Examination, reflecting the status of the Company as of December 31, 2022, is respectfully submitted.

SCOPE OF EXAMINATION

Representatives of the Indiana Department of Insurance (the Department) last examined Bartholomew County German Mutual Insurance Company (the Company) for the period ending December 31, 2017. Ingardus, LLC (Ingardus) conducted the present risk-focused examination for the period from January 1, 2018 through December 31, 2022. The examination included all material transactions and 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 and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination included assessing the principles used and significant estimates made by management. Additionally, the examination evaluated the overall financial statement presentation, management's compliance with Statutory Accounting Principles, and Annual Statement instructions, when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. 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 were separately communicated to the Department and/or the management of the Company.

HISTORY

The Company was organized in 1894 and operates under Indiana Code (IC) 27-5.1, which applies to farm mutual insurance companies.

The purpose of the Company, as stipulated within its Articles of Association, is to insure against loss or damage by fire or lightning, the farm property of the members of the Company.

SURPLUS

As of December 31, 2022, the Company had adjusted surplus of \$2,242,095 and 408 policies. The policyholders are the owners of the Company.

TERRITORY AND PLAN OF OPERATION

The Company provides insurance coverage for farm buildings and contents, farm and rural dwellings and contents, farm equipment, livestock and other farm personal property for fire, wind and multi-peril coverage. The Company conducts business in the Indiana counties of Bartholomew, Brown, Decatur, Jackson, Jennings, Johnson, and Shelby.

GROWTH OF THE COMPANY

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

Year	Admitted Assets ^A	Liabilities	Surplus ^A
2022	\$ 2,552,031	\$ 309,936	\$ 2,242,095
2021	2,678,457	304,951	2,373,506
2020	2,406,224	292,648	2,113,576
2019	2,248,011	287,329	1,960,682
2018	2,090,541	272,856	1,817,685

MANAGEMENT AND CONTROL

Directors

The corporate powers of the Company are vested in a Board of Directors (Board) comprised of seven (7) directors. Each director serves for a term of three (3) years and is elected at the annual meeting of the members in staggered terms. The following is a listing of persons serving as directors as of December 31, 2022:

Name	City
Tim Arnholt	Columbus, Indiana
Ray Burbrink	Edinburgh, Indiana
Trevor Glick	Columbus, Indiana
Carl Lienhoop	Hartsville, Indiana
Gregory Meyer	Columbus, Indiana
Marshall Middendorf	Columbus, Indiana
Donald Schroer	Columbus, Indiana

Officers

The officers of this Company are a President, a Vice President, and a Secretary-Treasurer. Officers are elected at the annual meeting and serve for a term of one (1) year. The following is a listing of the persons serving as officers of the Company as of December 31, 2022:

Name	Office
Marshall Middendorf	President
Carl Lienhoop	Vice President
Ray Burbrink	Secretary-Treasurer

^A All years' admitted assets and surplus have been adjusted, per the examination. See the Comments on the Financial Statements section of this Report of Examination.

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, 2022.

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 subscribed to an oath as of December 31, 2022.

CORPORATE RECORDS

Articles of Association

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

Bylaws

The Company amended its Bylaws effective December 13, 2021 for minor clarifications. There were no other amendments to the Bylaws during the examination period.

Minutes

The Board minutes and the minutes from the annual meeting of the members were reviewed for the period under examination, through the fieldwork date. No significant issues or events were noted.

AFFILIATED COMPANIES

The Company does not have any affiliated companies.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts through the purchase of a fidelity crime bond issued by Old Republic Surety Company. The bond has a policy aggregate limit of liability of \$50,000. 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, 2022, including but not limited to Certified Acts of Terrorism, commercial general liability, cyber liability, directors and officers liability, and errors and omissions liability.

STATUTORY DEPOSITS

As a farm mutual insurer, the Company is not required to maintain a statutory deposit with the state of Indiana.

REINSURANCE

The Company's reinsurance program is placed with Grinnell Mutual Reinsurance Company. The reinsurance program includes two (2) treaties, both effective January 1, 2022, which are described below.

- *Property Per Risk Excess of Loss Reinsurance Contract* – The Company shall retain the first \$135,000 of the ultimate net loss incurred by the Company per risk. The reinsurer shall pay the Company 100% of the ultimate net loss incurred by the Company in excess of the Company's retention for each risk, subject to a maximum reinsurance recovery of \$1,000,000 with automatic coverage to \$5,000,000 per risk and an option for coverage to \$15,000,000, including the Company's retention, and provided the Company provides timely notification to the reinsurer of any risks exceeding \$10,000,000.
- *Property Aggregate Excess of Loss Reinsurance* – This layer of coverage requires Company retention of \$300,000 of the ultimate net loss incurred, net of all other reinsurance recoveries. This coverage limit is for 100% of the Company's ultimate net loss in excess of the Company retention with no maximum.

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, 2021 and 2022, agreed to the respective Annual Statements.

BARTHOLOMEW COUNTY GERMAN MUTUAL INSURANCE COMPANY
Assets, Liabilities and Surplus
As of December 31, 2022

	Per Annual Statement	Examination Adjustments*	Per Examination
ASSETS			
Bonds	\$ 227,918	\$ (7,731)	\$ 220,187
Stocks - mutual funds	1,428,832	-	1,428,832
Bank balances	899,976	(9,560)	890,416
Accrued interest	1,262	-	1,262
Other assets	11,334	-	11,334
Total Assets	<u>\$ 2,569,322</u>	<u>\$ (17,291)</u>	<u>\$ 2,552,031</u>

LIABILITIES AND SURPLUS

Liabilities

Unpaid claims	\$ 45,673	\$ -	\$ 45,673
Less, reinsurance recoverable	(9,781)	-	(9,781)
Net unpaid claims	35,892	-	35,892
Ceded reinsurance balances payable	16,243	-	16,243
Unearned premium reserve	257,801	-	257,801
Total Liabilities	<u>309,936</u>	<u>-</u>	<u>309,936</u>
Surplus	2,259,386	(17,291)	2,242,095
Total Liabilities and Surplus	<u>\$ 2,569,322</u>	<u>\$ (17,291)</u>	<u>\$ 2,552,031</u>

* The Company overstated its bonds and bank balances. The net impact of these adjustments was a reduction to surplus of \$17,291. See the Comments on the Financial Statements section of this Report of Examination.

BARTHolemew COUNTY GERMAN MUTUAL INSURANCE COMPANY
 Income Statement and Change in Surplus
 For the year ended December 31, 2022

	Per Annual Statement	Examination Adjustments*	Per Examination
INCOME			
Net premiums:			
Direct premiums written	\$ 536,978	\$ -	\$ 536,978
Less: Reinsurance premiums ceded	(193,047)	- -	(193,047)
Total net premiums written	343,931	- -	343,931
Aggregate excess loss reinsurance paid	- -	- -	- -
Total net premiums	343,931	- -	343,931
Income from investments	84,292	- -	84,292
Other income	16,395	- -	16,395
Total income	444,618	- -	444,618
DISBURSEMENTS			
Net losses paid:			
Direct losses	246,359	- -	246,359
Less: Reinsurance recovered	- -	- -	- -
Net losses paid	246,359	- -	246,359
Operating expenses	175,031	- -	175,031
Non-operating expenses	9,762	- -	9,762
Total disbursements	431,152	- -	431,152
CHANGE IN SURPLUS			
Net income	13,466	- -	13,466
Change in accrued assets and liabilities	(47,106)	- -	(47,106)
Change in unrealized gains (losses)	(149,565)	51,794	(97,771)
Surplus, beginning of period	2,442,591	(69,085)	2,373,506
Surplus, end of period	<u>\$ 2,259,386</u>	<u>\$ (17,291)</u>	<u>\$ 2,242,095</u>

* The Company overstated its bonds and bank balances. The net impact of these adjustments was a reduction to surplus of \$17,291. See the Comments on the Financial Statements section of this Report of Examination.

COMMENTS ON THE FINANCIAL STATEMENTS

The Company overstated its bond balance by \$7,731 as of December 31, 2022 due to incorrectly reporting bonds at market value. This bond balance overstatement caused an equal overstatement to surplus.

The Company overstated its bank balances by \$9,560 as of December 31, 2022 due to incorrectly reporting bank balances at market value. This bank balance overstatement caused an equal overstatement to surplus.

Similar overstatements of bond and bank balances values were made in years 2019, 2020, and 2021 causing overstatements of admitted assets and surplus of \$69,085, \$73,198 and \$43,496, respectively. Conversely, in 2018 admitted assets and surplus were understated by \$32,341.

OTHER SIGNIFICANT ISSUES

There were no significant issues identified as of December 31, 2022, based on the results of this examination.

SUBSEQUENT EVENTS

There were no 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.

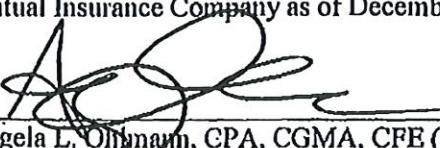
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with assistance from Ingardus, LLC, hereinafter collectively referred to as the "Examiners", performed an examination of the Bartholomew County German Mutual Insurance Company, as of December 31, 2022.

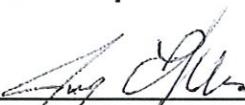
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination by the Indiana Department of Insurance. 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 Bartholomew County German Mutual Insurance Company as of December 31, 2022, as determined by the undersigned.


Angela L. Ohlmann, CPA, CGMA, CFE (Fraud), MCM
Ingardus, LLC
State of: Indiana
County of: Marion

Under the Supervision of:



Jerry Ehlers, CPA, CFE (Financial), AES
Examiner-in-Charge
Indiana Department of Insurance

On this 3rd day of April, 2025, before me personally appeared, Angela L. Ohlmann and Jerry Ehlers, to sign this document.

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

My commission expires: October 4, 2025



Darcy L. Shawver
Notary Public

DARCY L. SHAWVER
NOTARY PUBLIC

SEAL

MARION COUNTY, STATE OF INDIANA
MY COMMISSION EXPIRES OCTOBER 4, 2025
COMMISSION NO 706053

