

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

IN THE MATTER OF: )

**Brotherhood Mutual Insurance Company** )  
**6400 Brotherhood Way** )  
**Fort Wayne, Indiana 46825** )

Examination of: **Brotherhood 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 Brotherhood 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 Brotherhood Mutual Insurance Company, shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

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

June 24, 2015  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 5854**

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

IN THE MATTER OF:

**Brotherhood Mutual Insurance Company**  
**6400 Brotherhood Way**  
**Fort Wayne, Indiana 46825**

Examination of: **Brotherhood Mutual Insurance Company**

## FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Brotherhood Mutual Insurance Company (hereinafter “Company”) for the time period January 1, 2019, through December 31, 2023.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on June 4, 2025.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 28, 2025, and was received by the Company on June 4, 2025.

On June 4, 2025, 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, 2023.
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 24<sup>th</sup> day of  
June, 2025.

  
\_\_\_\_\_  
Holly W. Lambert  
Insurance Commissioner  
Indiana Department of Insurance

## **ABOUT AFFIRMATIONS**

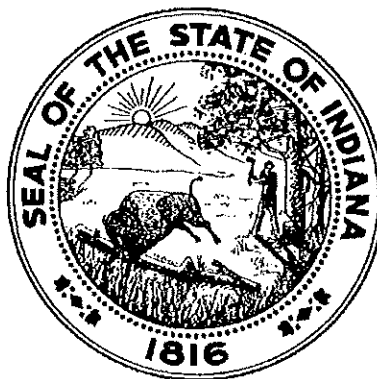
The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

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**  
**BROTHERHOOD MUTUAL INSURANCE COMPANY**  
NAIC Co. Code 13528

As of  
December 31, 2023



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

June 4, 2025

Honorable Holly W. Lambert, 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 4197, an examination has been made of the affairs and financial condition of:

**Brotherhood Mutual Insurance Company**  
**6400 Brotherhood Way**  
**Fort Wayne, Indiana 46825**

hereinafter referred to as the "Company", or "Brotherhood", an Indiana domestic mutual, property and casualty insurance company. The examination was conducted remotely with the assistance from the corporate office in Fort Wayne, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2023, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

|                 |                    |                             |                    |                     |                 |                                |
|-----------------|--------------------|-----------------------------|--------------------|---------------------|-----------------|--------------------------------|
| AGENCY SERVICES | COMPANY COMPLIANCE | CONSUMER SERVICES           | FINANCIAL SERVICES | MEDICAL MALPRACTICE | COMPANY RECORDS | STATE HEALTH INSURANCE PROGRAM |
| 317-232-2389    | 317-232-3495       | 317-232-2395/1-800-622-4461 | 317-232-2390       | 317-232-5253        | 317-232-2383    | 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, 2014 through December 31, 2018. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2019 through December 31, 2023, 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 actuarial specialists of Davies North America provided all actuarial services throughout the examination and conducted a review of the Company's actuarial-related risks as of December 31, 2023.

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

Brotherhood was incorporated on August 20, 1935, under the name Brotherhood Mutual Insurance Company of the Conference of the Defenseless Mennonite Church of North America and assumed business and surplus of Brotherhood Aid Association of the Conference of Mennonite Church of North America, a mutual aid society. Business commenced on November 17, 1935. The Company amended its Articles of Incorporation in 1945 to change its name to Brotherhood Mutual Insurance Company when its operations became independent of The Fellowship of Evangelical Churches, Inc.

Brotherhood is the ultimate controlling party and the only insurer in its holding company system consisting of twenty (20) agencies and four (4) service organizations. The Company provides property and casualty insurance coverages to churches and related ministry risks throughout the United States.

## CAPITAL AND SURPLUS

The Company has no common or preferred stock outstanding. The Company has no restrictions on unassigned surplus funds. There are no advances to surplus not repaid or balances held in special surplus funds. The portion of unassigned surplus represented or reduced by cumulative unrealized gains and losses totaled \$62.9 million as of December 31, 2023.



On August 25, 2004, the Company issued a \$22.0 million surplus note to the First Tennessee Bank N.A., in exchange for cash. The note matures August 25, 2034. The Company issued a \$28.0 million surplus note on December 30, 2015, to Federated Mutual Insurance Company in exchange for cash. The note matures December 30, 2035. The Company issued a \$45.0 million surplus note to The Bank of New York Depository Limited, as nominee for The Bank of New York Mellon, London Branch as Common Depository for Euroclear Bank, SA/NV, and Clearstream Banking, SA, in exchange for cash. The note matures December 31, 2042. Each payment of interest and principal of the surplus notes may be made only with prior approval of the INDOI and only to the extent the Company has sufficient surplus earnings to make such payment. During 2023, the Company paid interest of \$6,353,069, with the prior approval of the INDOI. The surplus notes are subordinate to policyholder, claimant, and beneficiary claims, and all other classes of creditors other than the surplus note holders.

### **DIVIDENDS TO POLICYHOLDERS**

The Company paid the following dividends to the policyholders during the examination period:

| <u>Year</u> | <u>Total</u>        |
|-------------|---------------------|
| 2023        | \$ 1,022,857        |
| 2022        | 889,537             |
| 2021        | 1,938,722           |
| 2020        | 1,363,006           |
| 2019        | 767,751             |
| Total       | <u>\$ 5,979,873</u> |

The Company is a mutual insurance company and has no common or preferred stock outstanding. The Company has no restrictions on unassigned surplus funds. There are also no restrictions on policyholder dividends. Since the Company has no common or preferred shares of stock issued or outstanding, there were no dividends to stockholders paid during the examination period.

### **MANAGEMENT AND CONTROL**

#### **Directors**

The Company's Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than nine (9) and no more than twelve (12) directors, of whom not more than five (5) at any time may be current or former employees of the Company. At least one (1) of the directors must be a resident of Indiana. The policyholders, at each annual meeting, elect the members of the Board.

The following is a listing of persons serving as directors as of December 31, 2023, and their principal occupations as of that date:

| Name and Address                        | Principal Occupation  |
|---|---|
| Michael Allison<br>Fort Wayne, Indiana  | Chief Counsel and Corporate Secretary<br>Brotherhood Mutual Insurance Company |
| Garrett Cooper<br>Fort Wayne, Indiana   | Investment Strategist<br>Pinnacle Consulting                                  |
| Suzanne Davis<br>Greenville, Illinois   | President<br>Greenville University  |
| LaShanna Farley<br>Dallas, Texas        | Chief Human Resources Officer<br>Allvue                                       |
| Chris Goeglein<br>Fort Wayne, Indiana   | Managing Principal<br>True North Strategic Advisors, LLC.                     |
| Matthew Hirschy<br>Fort Wayne, Indiana  | Senior Vice President and Treasurer<br>Brotherhood Mutual Insurance Company   |
| Sammy Mah<br>Baltimore Maryland         | President and Owner<br>Higher Potential, LLC.                                 |
| Mark Robison<br>Leo, Indiana            | Chairman and President<br>Brotherhood Mutual Insurance Company                |
| Kathy Rogers<br>Fort Wayne, Indiana     | President and Chief Executive Officer<br>KB Search Team                       |
| Timothy Turner<br>Spicewood, Texas      | President and Chief Executive Officer<br>Subsplash, Inc.                      |
| Robert Wallstrom<br>Fort Wayne, Indiana | Principal and Founder<br>LTV Advisory   |
| Michael Wong<br>La Miranda, California  | Chief Operating Officer and Chief Financial Officer<br>Meeko, LLC.            |

### Officers

The Company's Bylaws state that the elected officers of the Company shall consist of a Chairman of the Board, a President, a Secretary, and a Treasurer, together with one (1) or more Vice Presidents of the Company one (1) or more of whom may be designated Senior or Executive Vice President of the Board), and any Assistant Vice Presidents who may be named by the Board. All officers shall be appointed and approved by the Board and shall serve for a term of one (1) year or until a successor is elected and qualified. The Chairman of the Board, President, Secretary, and Treasurer shall be members of the Board. The same individual may hold the offices of Chairman of the Board and President concurrently.

The following is a list of key officers and their respective titles as of December 31, 2023:

| <u>Name</u>            | <u>Office</u>                               |
|------------------------|---|
| Mark Andrew Robison    | Chairman and President                      |
| Michael James Allison  | Vice President and Secretary                |
| Matthew Gordon Hirschy | Senior Vice President and Treasurer         |
| Scott Allen Figgins    | Senior Vice President, Insurance Operations |
| Abel Lewis Travis      | Senior Vice President, Affiliate Operations |

### **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, 2023.

### **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, 2023.

### **CORPORATE RECORDS**

#### **Articles of Incorporation**

An amendment to the Articles of Incorporation was made to amend and to restate various sections of the Articles and to remove the information related to the original board members. The Company adopted the amended and restated Articles on November 15, 2019.

#### **Bylaws**

An amendment to the Bylaws was made to various sections including, but not limited to, the annual meeting of the policyholders, Directors' leave of absence, and changing the Nominating Committee into the Governance Committee. The Company adopted these amended and restated Bylaws on December 18, 2019.

#### **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 the policyholders will be held at 10:00 a.m. on the third Tuesday in February of each year. If for any reason the annual meeting of the policyholders cannot be held at the time and place provided, such meeting may be held at a special meeting called for that purpose at any time in the same calendar year. For each year under review, the annual meeting of the 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 Audit Committee.

## **AFFILIATED COMPANIES**

### Organizational Structure

The following organizational chart shows the Company's subsidiaries as of December 31, 2023 that were included in this examination:

|  | NAIC Co.<br>Code | Domiciliary<br>State/Country |
|--|------------------|------------------------------|
| <b>Brotherhood Mutual Insurance Company</b>  | <b>13528</b>     | <b>IN</b>                    |
| American Church Group, LLC                   |                  | IN                           |
| American Church Group of Arizona, LLC        |                  | IN                           |
| American Church Group of California, LLC     |                  | IN                           |
| American Church Group of Colorado, LLC       |                  | IN                           |
| American Church Group of Georgia, LLC        |                  | IN                           |
| American Church Group of Indiana, LLC        |                  | IN                           |
| American Church Group of Iowa, LLC           |                  | IN                           |
| American Church Group of Kentucky, LLC       |                  | IN                           |
| American Church Group of Minnesota, LLC      |                  | IN                           |
| American Church Group of Mississippi, LLC    |                  | IN                           |
| American Church Group of New England, LLC    |                  | IN                           |
| American Church Group of New Jersey, LLC     |                  | IN                           |
| American Church Group of New York, LLC       |                  | IN                           |
| American Church Group of North Carolina, LLC |                  | IN                           |
| American Church Group of Ohio, LLC           |                  | IN                           |
| American Church Group of Indiana, LLC        |                  | IN                           |
| American Church Group of South Carolina, LLC |                  | IN                           |
| American Church Group of Texas, LLC          |                  | IN                           |
| American Church Group of Washington, LLC     |                  | IN                           |
| American Church Group of Wisconsin, LLC      |                  | IN                           |
| LINC Holdings, Inc.                          |                  | IN                           |
| ACG Mutual Insurance Agency, LLC             |                  | IN                           |
| Brotherhood Mutual Insurance Services, LLC   |                  | IN                           |
| MinistryWorks, LLC                           |                  | IN                           |

### 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.

#### *Management Agreements*

The Company was a party to Management Agreements with American Church Group, LLC (ACG), Brotherhood Mutual Insurance Services, LLC (BMIS), and MinistryWorks, LLC (MW) for the purpose of leasing employees to

these entities. Brotherhood received \$2.8 million from ACG, \$3.8 million from BMIS, and \$4.8 million from MW in 2023, as a result of these Agreements.

#### *Payment Services Agreement*

The Company was a party to a Payment Services Agreement with BMIS, where BMIS received payments from Remodel Health on behalf of Brotherhood in 2019. Brotherhood received \$522 thousand in 2023, as a result of this Agreement.

#### *Tax Sharing Agreement*

The Company was a party to a Tax Sharing Agreement with BMIS for the tax year ending December 31, 2020, for the purpose of filing a consolidated tax return and splitting the financial consequences. BMIS is taxed as a subsidiary of the parent C-Corporation of Brotherhood. BMIS reimbursed Brotherhood a total of \$182 thousand for the 2022 tax year as a result of 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 CUMIS Insurance Society, Inc. The bond has a single loss coverage limit of \$2 million with a \$50,000 single loss deductible. The fidelity bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2023, including but not limited to business automobile coverage, business credit card/travel advance, business travel accident, commercial general liability, commercial inland marine, commercial multiple peril, commercial property, counterfeit currency, counterfeit share draft or securities, cyber liability, electronic crime, errors and omission, excess and umbrella, extortion-kidnap/investigation expense, forgery or alteration, funds transfer, identity fraud, in transit, kidnap and ransom, lawyers' professional liability, management liability, on premises, third-party vendor theft, and workers' compensation.

### **TERRITORY AND PLAN OF OPERATION**

Brotherhood is licensed in all fifty (50) states, along with the District of Columbia, and writes commercial automobile, commercial multiple-peril, fire, and workers' compensation coverages. The Company primarily offers insurance coverage to churches, and their related ministries. Brotherhood insures over 65,000 religious institutions across the country; these institutions account for most of the Company's written/earned premiums. The Company's target market consists of religious non-profit ministries including churches' Kindergarten through Grade 12 schools, day care centers, camps, retreats, and conference centers; college and universities, district and administrative offices, youth ministries and organizations, and miscellaneous ministry organizations.

The Company's largest states, by total Direct Premium Written (DPW) as of December 31, 2023, are Texas (\$84 million or 10.3%), California (\$58 million or 7.2%), Oklahoma (\$45 million or 5.5%), Georgia (\$36 million or 4.4%), and Pennsylvania (\$35 million or 4.4%). These states accounted for 31.8% of total DPW in 2023.

## REINSURANCE

### Ceded Reinsurance

In 2023, the Company reported \$162 million of ceded premiums which represents 20% of gross direct and assumed premiums. The Company's reinsurance program is primarily arranged through BMS Intermediaries, Inc., of Philadelphia, Pennsylvania. Members of the reinsurance broker team have served the Company since 1971. The Company has experienced no significant reinsurance collectability problems. There are no amounts of reinsurance in dispute.

During 2023, the Company's reinsurance program was divided into two (2) branches. The property program consists of a property per risk excess of loss agreement with a \$2.0 million retention. The liability program consists of a workers' compensation excess of loss agreement with a \$1.5 million retention and a combined casualty excess of loss agreement with a \$1.0 million retention. The Company also maintains catastrophe coverage in both programs. The reinsurance program provides the following limits:

| <u>Description of reinsurance</u>                | <u>Layers</u> | <u>Limits placed</u>           |
|--|---------------|--------------------------------|
| Property Per Risk-Excess of Loss                 | 3             | \$38,000,000 x/s \$2,000,000   |
| Property Catastrophe-Excess of Loss              | 5             | \$195,000,000 x/s \$20,000,000 |
| Workers' Compensation Excess of Loss             | 2             | \$18,500,000 x/s \$1,500,000   |
| Workers' Compensation Catastrophe Excess of Loss | 1             | \$35,000,000 x/s \$20,000,000  |
| Combined Casualty Excess of Loss                 | 3             | \$20,000,000 x/s \$1,000,000   |
| Excess Liability Excess of Loss                  | 3             | \$19,000,000 x/s \$1,000,000   |

The Company also has a 30% quota share treaty covering churches, denominational entities and ministry organizations associated with a large church denomination, effective July 1, 2023.

### Assumed Reinsurance

The Company does not maintain an active assumed reinsurance program. All the assumed premiums in 2023 consisted of a small participation in the National Council of Compensation Insurance workers' compensation reinsurance pool. The Company reported \$1.2 million in assumed premiums and \$1.8 million in assumed case loss and loss expense reserves in 2023.

## FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the INDOI and present the financial condition of the Company for the period ending December 31, 2023. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

# BROTHERHOOD MUTUAL INSURANCE COMPANY

Assets  
As of December 31, 2023  
(in 000s)

|   | <u>Per Company*</u>        |
|---|----------------------------|
| Bonds   | \$ 494,721                 |
| Stocks:   |                            |
| Preferred stocks  | 1,034                      |
| Common stocks   | 131,529                    |
| Real estate:  |                            |
| Properties occupied by the company  | 40,458                     |
| Properties held for the production of income  | 3,035                      |
| Cash, cash equivalents and short-term investments   | 22,368                     |
| Other invested assets   | 91,864                     |
| Receivables for securities  | 3,390                      |
| Subtotals, cash and invested assets   | <u>788,400</u>             |
| Investment income due and accrued   | 5,793                      |
| Premiums and considerations:  |                            |
| Uncollected premiums and agents' balances in course of collection                         | 37,268                     |
| Deferred premiums, agents' balances and installments booked but deferred and not yet due  | 239,826                    |
| Reinsurance:  |                            |
| Amounts recoverable from reinsurers   | 13,378                     |
| Other amounts receivable under reinsurance contracts                                      | 7                          |
| Current federal and foreign income tax recoverable and interest thereon                   | 6,464                      |
| Net deferred tax asset  | 12,745                     |
| Guaranty funds receivable or on deposit   | 577                        |
| Electronic data processing equipment and software   | 1,372                      |
| Receivables from parent, subsidiaries and affiliates                                      | 2,376                      |
| Aggregate write-ins for other than invested assets  | 959                        |
| Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts | <u>1,109,164</u>           |
| Totals  | <u><u>\$ 1,109,164</u></u> |

\* The balances include immaterial rounding differences.

BROTHERHOOD MUTUAL INSURANCE COMPANY  
Liabilities, Surplus and Other Funds  
As of December 31, 2023  
(in 000s)

|   | <u>Per Company*</u> |
|---|---------------------|
| Losses  | \$ 280,477          |
| Loss adjustment expenses  | 65,216              |
| Commissions payable, contingent commissions and other similar charges | 20,321              |
| Other expenses (excluding taxes, licenses and fees)                   | 4,671               |
| Taxes, licenses and fees  | 6,581               |
| Borrowed money and interest thereon                                   | 30,029              |
| Unearned premiums   | 315,358             |
| Advance premium   | 5,109               |
| Ceded reinsurance premiums payable                                    | 55,607              |
| Funds held by company under reinsurance treaties                      | 5,497               |
| Amounts withheld or retained by the company for account of others     | 2,060               |
| Provision for reinsurance   | 335                 |
| Payable to parent, subsidiaries and affiliates                        | 9,741               |
| Payable for securities  | 759                 |
| Total liabilities excluding protected cell liabilities                | <u>801,761</u>      |
| Total liabilities   | <u>801,761</u>      |
| Surplus notes   | 95,000              |
| Unassigned funds (surplus)  | 212,402             |
| Surplus as regards policyholders                                      | <u>307,402</u>      |
| Totals  | <u>\$ 1,109,164</u> |

\* The balances include immaterial rounding differences.



BROTHERHOOD MUTUAL INSURANCE COMPANY  
Statement of Income  
For the Year Ended December 31, 2023

|  | Per Company* |
|--|--------------|
| UNDERWRITING INCOME  |              |
| Premiums earned  | \$ 633,336   |
| DEDUCTIONS   |              |
| Losses incurred  | 453,101      |
| Loss adjustment expenses incurred  | 54,821       |
| Other underwriting expenses incurred   | 209,188      |
| Total underwriting deductions  | 717,109      |
| Net underwriting gain (loss)   | (83,773)     |
| INVESTMENT INCOME  |              |
| Net investment income earned   | 20,052       |
| Net realized capital gains (losses) less capital gains tax   | 15,874       |
| Net investment gain (loss)   | 35,926       |
| OTHER INCOME   |              |
| Net gain (loss) from agents' or premium balances charged off   | (270)        |
| Finance and service charges not included in premiums   | 1,354        |
| Aggregate write-ins for miscellaneous income   | 1,780        |
| Total other income   | 2,865        |
| Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes | (44,983)     |
| Dividends to policyholders   | 1,023        |
| Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes  | (46,006)     |
| Federal and foreign income taxes incurred  | (9,309)      |
| Net income   | \$ (36,697)  |

\* The balances include immaterial rounding differences.

BROTHERHOOD MUTUAL INSURANCE COMPANY  
Reconciliation of Capital and Surplus Account\*  
(in 000s)

|   | 2023              | 2022              | 2021              | 2020              | 2019              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus as regards policyholders, December 31 prior year                  | \$ 322,297        | \$ 324,427        | \$ 297,571        | \$ 280,406        | \$ 240,585        |
| Net income  | (36,697)          | 152               | 11,533            | 3,274             | 18,789            |
| Change in net unrealized capital gains or (losses) less capital gains tax | 3,056             | (45,144)          | 24,691            | 16,399            | 21,411            |
| Change in net deferred income tax   | (1,114)           | 9,541             | 441               | 6,209             | 1,625             |
| Change in nonadmitted assets  | 20,194            | (11,680)          | (9,809)           | (8,716)           | (2,004)           |
| Change in provision for reinsurance                                       | (335)             | -                 | -                 | -                 | -                 |
| Change in surplus notes   | -                 | 45,000            | -                 | -                 | -                 |
| Change in surplus as regards policyholders for the year                   | (14,895)          | (2,130)           | 26,857            | 17,165            | 39,820            |
| Surplus as regards policyholders, December 31 current year                | <u>\$ 307,402</u> | <u>\$ 322,297</u> | <u>\$ 324,427</u> | <u>\$ 297,571</u> | <u>\$ 280,406</u> |

\* Balances include immaterial rounding differences

### **COMMENTS ON THE FINANCIAL STATEMENTS**

There were no recommended adjustments to the financial statements as of December 31, 2023, based on the results of this examination.

### **SUBSEQUENT EVENTS**

On July 1, 2024, the Company reorganized from a mutual to a stock insurance company under a mutual holding company system. Following this reorganization, the Company became a wholly-owned subsidiary of Brotherhood Holdings, Inc., which is ultimately owned by Brotherhood Mutual Holding Company.

### **OTHER SIGNIFICANT ITEMS**

No significant issues were identified during the examination.



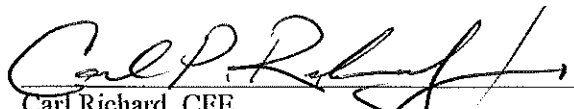
### AFFIDAVIT

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 Davies North America, performed an examination of Brotherhood Mutual Insurance Company, as of December 31, 2023.

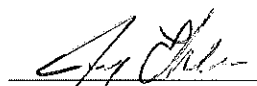
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

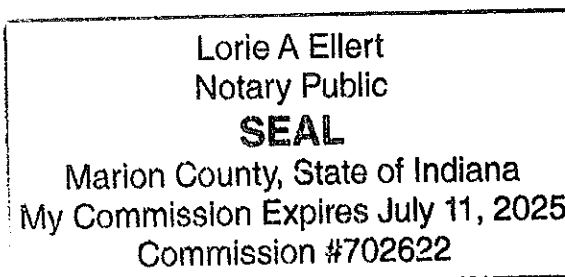
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing 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 Brotherhood Mutual Insurance Company as of December 31, 2023, as determined by the undersigned.

  
Carl Richard, CFE  
Noble Consulting Services, Inc.

Under the Supervision of:

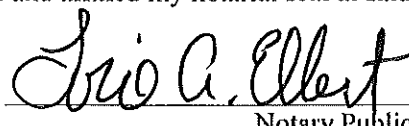
  
Jerry Ehlers, CFE, AES  
Examinations Manager  
Indiana Department of Insurance



State of: Indiana  
County of: Marion

On this 23<sup>rd</sup> day of June, 2025, before me personally appeared, Carl Richard 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: July 11, 2025   
Notary Public

