

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

IN THE MATTER OF: )

**Decatur County Farmers Mutual Insurance Company** )  
**329 West Washington Street** )  
**Greensburg, Indiana 47240-1614** )

Examination of: **Decatur County Farmers Mutual Insurance Company**

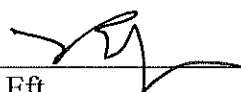
**NOTICE OF ENTRY OF ORDER**

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 Decatur County 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 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 Decatur County 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.

April 1, 2025  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 7236**

STATE OF INDIANA                                 )                 BEFORE THE INDIANA  
  ) SS:  
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**329 West Washington Street**   )  
**Greensburg, Indiana 47240-1614**   )

Examination of: **Decatur County Farmers Mutual Insurance Company**

### **FINDINGS AND FINAL ORDER**

The Indiana Department of Insurance conducted an examination into the affairs of the Decatur County Farmers 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 12, 2025.

The Company did not file any objections.

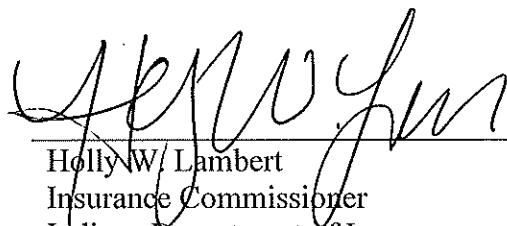
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Decatur County Farmers Mutual Insurance Company as of December 31, 2022.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Decatur County 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 1<sup>st</sup> day of  
April, 2025.

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

## **ABOUT AFFIRMATIONS**

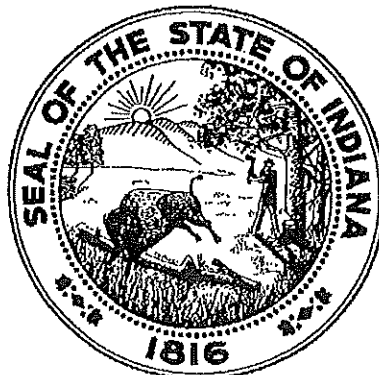
The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

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**  
**DECATUR COUNTY FARMERS MUTUAL INSURANCE**  
**COMPANY**  
NAIC Co. CODE 92275

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

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 4168, an examination has been made of the affairs and financial condition of:

**Decatur County Farmers Mutual Insurance Company**  
**329 West Washington Street**  
**Greensburg, Indiana 47240-1614**

Decatur County Farmers 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

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

Representatives of the Indiana Department of Insurance (the Department) last examined Decatur County Farmers 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 1878 as Patrons of Husbandry Fire Insurance Company. The Company 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 Incorporation and Bylaws, is to insure its members against loss from hazards permitted to be insured against by the farm mutual law under which it operates and to distribute on the mutual insurance plan such loss as may occur in spite of reasonable precautions.

## SURPLUS

As of December 31, 2022, the Company had surplus of \$1,554,534, 1,534 policies and 1,432 members, who are the owners of the Company.

## TERRITORY AND PLAN OF OPERATION

The Company provides insurance coverage for homes, farms, property, farm equipment, livestock, grain, and auto. The Company conducts business in the Indiana counties of Bartholomew, Boone, Brown, Clark, Crawford, Dearborn, Decatur, Delaware, Fayette, Franklin, Hamilton, Harrison, Henry, Jackson, Jefferson, Jennings, Johnson, Lawrence, Marion, Morgan, Ohio, Putnam, Randolph, Ripley, Rush, Scott, Shelby, Switzerland, Tippecanoe, Washington and Wayne.



## GROWTH OF THE COMPANY

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

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Surplus</u>
2022	\$ 2,273,489	\$ 718,955	\$ 1,554,534
2021	2,599,241	655,161	1,944,080
2020	2,570,925	635,934	1,934,991
2019	2,653,166	882,108	1,771,058
2018	2,543,298	824,702	1,718,596

## MANAGEMENT AND CONTROL

### Directors

The corporate powers of the Company are vested in a Board of Directors (Board) comprised of no less than eight (8) and no more than fifteen (15) directors. Indiana Code requires a minimum of five (5) directors. As of December 31, 2022, the Company had seven (7) elected directors. Although the Company is in compliance with Indiana Code, the Company is not in compliance with its Articles of Incorporation. See the Other Significant Issues section of this Report of Examination.

A majority of the Board constitutes a quorum for the transaction of business. Each director serves for a term of three (3) years 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:

<u>Name</u>	<u>City</u>
Abby Baier	Westport, Indiana
Gary R Cunningham	Greensburg, Indiana
Barbara Lecher	Greensburg, Indiana
Steven Nobbe	Greensburg, Indiana
Timothy Nobbe	Greensburg, Indiana
Robert Ricke	Greensburg, Indiana
Mark Waechter	Greensburg, Indiana

### Officers

The officers of this Company are a President, a Vice President, Secretary, and 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:

<u>Name</u>	<u>Office</u>
Mark Waechter	President
Gary Cunningham	Vice President
Barbara Lecher	Secretary
Abby Baier	Treasurer

## **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 Incorporation**

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

### **Bylaws**

There were no 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 The Cincinnati Insurance 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 building, business personal property, professional liability, cyber liability, employers liability and workers compensation.

### 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 through Guy Carpenter. The reinsurance program includes two (2) treaties, both effective January 1, 2022, which are described below:

- *Property Per Risk Excess of Loss Reinsurance Contract*—All risks are reinsured for up to \$720,000 in excess of the Company's retention of \$30,000, to the extent the net retention per risk of the Company does not exceed 0.2% of insurance in force, further subject to the limit of liability of \$1,440,000 for each loss occurrence.
- *Aggregate Excess of Loss Reinsurance Contract*—Under the terms of this agreement the reinsurer shall be liable for 97.5% of the ultimate net loss over and above an initial ultimate net loss of 65% of gross net written premium income, subject to a limit of liability to the reinsurer of 97.5% of 1250.0% of gross net written premium income.

### 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.

DECATUR COUNTY FARMERS MUTUAL INSURANCE COMPANY  
Assets, Liabilities and Surplus  
As of December 31, 2022

	Per Annual Statement
<b>ASSETS</b>	
Stocks	\$ 1,902,803
Bank balances and cash on hand	198,441
Real estate	151,813
Federal income tax receivable	9,000
Popular/NAMICO	11,432
Total Assets	<u>\$ 2,273,489</u>
<b>LIABILITIES AND SURPLUS</b>	
Liabilities	
Unpaid claims	\$ 184,353
Less, reinsurance recoverable	<u>(41,012)</u>
Net unpaid claims	143,341
Amounts withheld for the account of others	807
Other unpaid expenses	109,033
Premiums received in advance	2,433
Unearned premium reserve	<u>463,341</u>
Total Liabilities	718,955
Surplus	<u>1,554,534</u>
Total Liabilities and Surplus	<u>\$ 2,273,489</u>

**DECATUR COUNTY FARMERS MUTUAL INSURANCE COMPANY**  
**Income Statement and Change in Surplus**  
**For the year ended December 31, 2022**

	<u>Per Annual Statement</u>
<b>INCOME</b>	
Net premiums:	
Direct premiums written	\$ 1,612,939
Less: Reinsurance premiums ceded	<u>(320,700)</u>
Total net premiums written	1,292,239
Membership and policy fees	3,165
Aggregate excess loss reinsurance paid	<u>(229,365)</u>
Total net premiums	1,066,039
Income from investments	89,857
Premiums collected for other companies	147,447
Other income	<u>97,013</u>
Total income	1,400,356
 <b>DISBURSEMENTS</b>	
Net losses paid:	
Direct losses	920,231
Less: Reinsurance recovered	<u>(427,823)</u>
Net losses paid	492,408
Operating expenses	532,749
Non-operating expenses	<u>410,291</u>
Total disbursements	1,435,448
 <b>CHANGE IN SURPLUS</b>	
Net income	(35,092)
Change in accrued assets and liabilities	(61,309)
Change in unrealized gains (losses)	(293,145)
Surplus, beginning of period	<u>1,944,080</u>
Surplus, end of period	<u><u>\$ 1,554,534</u></u>

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

There were no recommended adjustments to the financial statements as of December 31, 2022, based on the results of this examination.

### **OTHER SIGNIFICANT ISSUES**

The Company's Articles of Incorporation require a minimum of eight (8) directors. Indiana Code requires a minimum of five (5) directors. As of December 31, 2022, the Company had seven (7) elected directors. Although the Company is in compliance with Indiana Code, the Company is not in compliance with its Articles of Incorporation. It is recommended that the Company become compliant with its Articles of Incorporation. The Company is aware of this issue and is actively seeking to become compliant.

### **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 Decatur County Farmers Mutual Insurance Company, as of December 31, 2022.

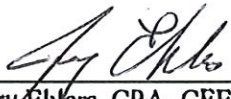
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

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 Decatur County Farmers Mutual Insurance Company as of December 31, 2022, as determined by the undersigned.

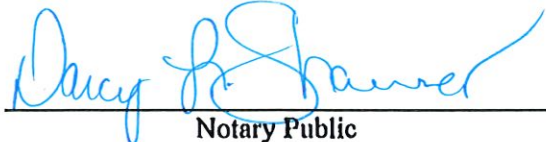
  
\_\_\_\_\_  
Angela L. Ohlmann, CPA, CGMA, CFE (Fraud), MCM  
Ingardus, LLC  
State of: Indiana  
County of: Marion

Under the Supervision of:

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

On this 31st day of March, 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   
\_\_\_\_\_  
Notary Public

