

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

IN THE MATTER OF:)
)
Employers Protective Insurance Company)
302 South Reed Road)
Kokomo, Indiana 46901)

Examination of: **Employers Protective Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Employers Protective Insurance Company (hereinafter “Company”) for the time period January 1, 2020 through December 31, 2024.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on January 29, 2026.

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 12, 2026 and was received by the Company on May 12, 2026.

The Company did not file any objections.

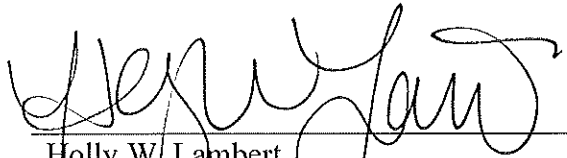
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Employers Protective Insurance Company as of December 31, 2024.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Employers Protective 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 30th day of
June, 2026.



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
EMPLOYERS PROTECTIVE INSURANCE COMPANY
NAIC COMPANY CODE 31020

As of
December 31, 2024

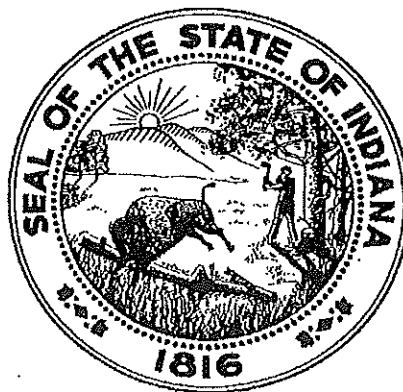


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STATE OF INDIANA

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

January 29, 2026

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 4233, an examination has been made of the affairs and financial condition of:

Employers Protective Insurance Company
302 South Reed Road
Kokomo, Indiana 46901

hereinafter referred to as the "Company", an Indiana domestic reciprocal property and casualty insurance company. The examination was conducted at the corporate offices of the Company at 1320 City Center Drive, Suite 325, Carmel, IN 46032.

The Report of Examination, showing the financial status of the Company as of December 31, 2024, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
317-292-2389

COMPANY COMPLIANCE
317-232-3495

CONSUMER SERVICES
317-232-2395/1-800-622-4461

FINANCIAL SERVICES
317-232-2390

MEDICAL MALPRACTICE
317-232-5253

COMPANY RECORDS
317-292-2383

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, 2019. The present risk-focused examination was conducted by The Thomas Consulting Group, Inc. and covered the period from January 1, 2020 through December 31, 2024, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as 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

The Company is a reciprocal property and casualty insurer whose Attorney-in-Fact is the Exchange of America, Inc. (EAI). EAI is 100% owned by the Indiana Public Employers' Plan, Inc. (IPEP), which is a not-for-profit, self-insured workers' compensation pool for Indiana public entities. IPEP provides self-insurance plans primarily to cities and municipalities.

CAPITAL AND SURPLUS

The Articles of Incorporation for EAI provide that the Company has 1,000 authorized shares of common capital stock without par value. On May 22, 1998, IPEP acquired 100% of EAI's common stock. During the period under examination, IPEP contributed \$100,000 in capital to the Company in 2021 and 2023.

DIVIDENDS TO STOCKHOLDERS

The Company did not declare or pay dividends to stockholders during the examination period.

MANAGEMENT AND CONTROL

Directors

The ' 'Company's Bylaws specify that the business affairs of the Company shall be managed under the direction of the Board of Directors (Board) consisting of not less than five (5) nor more than nine (9) persons. The Sole Shareholder elects the members of the Board at each annual meeting.

The following is a listing of persons serving as directors as of December 31, 2024, and their principal occupations as of that date:

<u>Name and Location</u>	<u>Principal Occupation</u>
John Joseph Dillon III Indianapolis, Indiana	Managing Director NFP Corporation
Debbie Reynolds Driskell Fishers, Indiana	Executive Director Indiana Township Trustee
Norman Hershel Gurwitz Indianapolis, Indiana	Retired VP, HR Director, Board Secretary, and Head of Employee Benefits Emmis Communications
Frank Thomas Short Indianapolis, Indiana	Retired Chairman and CEO Short Strategy Group, Inc.
Ralph Douglas Walker Carmel, Indiana	Vice President Walker Professional Insurance, LLC

Officers

The Company's Bylaws state that the elected officers of the Company shall consist of a President, one (1) or more Vice Presidents (if any), a Secretary, a Treasurer, and such other officers as may be chosen by the Board. Any two (2) or more offices may be held by the same person. The officers shall be chosen annually by the Board.

The following is a list of key officers and their respective titles as of December 31, 2024:

<u>Name</u>	<u>Title</u>
Frank Thomas Short	Chairman and President
John Joseph Dillon III	Secretary and 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, 2024.

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, 2024.

CORPORATE RECORDS

Articles of Incorporation

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

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

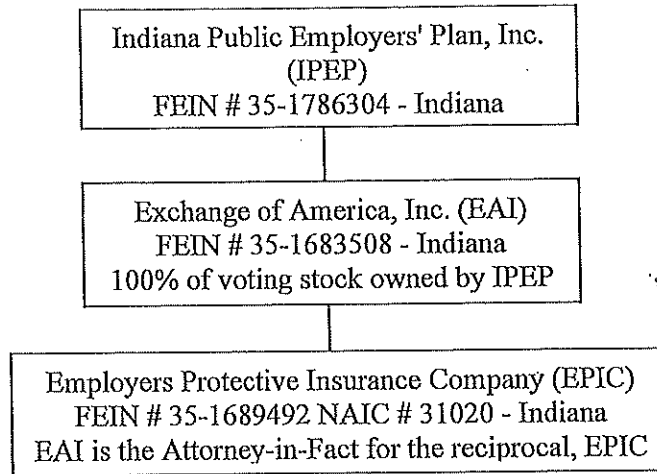
The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states that 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. For each year under review, the annual meeting of shareholders was held within five (5) months following the close of each fiscal year.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and affiliates as of December 31, 2024 that were included in this examination:



Affiliated Agreements

On January 22, 2007, the Company submitted a Form D with the INDOI for a Corporate Power of Attorney under which Program Management Services, Inc., d/b/a Downey Insurance, will act as Attorney-in-Fact for EAI. The Corporate Power of Attorney acts as a Management Agreement, under which Downey Insurance will manage the affairs of EAI. Per Department Legal Counsel, this agreement constitutes "control" under IC 27-1-23-1(e), which is defined as the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the beneficial ownership of voting securities, by contract other than a commercial contract for goods or non-management services. Therefore, they are subject to the Holding Company Statute. The agreement was approved by the INDOI on March 30, 2007. In 2024, the Company paid the Attorney-in-Fact \$36,000 in accordance with this agreement.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through IPEP's fidelity bond issued by Federal Insurance Company. The bond is adequate to meet the minimum coverage suggested by the NAIC.

TERRITORY AND PLAN OF OPERATION

The Company is licensed solely in the State of Indiana and has not written any business since the 1990s. The Company's operational, administrative, and investment operations are performed in Kokomo, Indiana.

REINSURANCE

The Company is not currently writing premiums and is not participating in any reinsurance programs.

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, 2024. 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.

NOTE: Amounts are shown in whole dollars, and columns may not total due to rounding.

EMPLOYERS PROTECTIVE INSURANCE COMPANY

Assets

As of December 31, 2024

	Per Company
Cash, cash equivalents, and short-term investments	\$ 400,610
Subtotals, cash, and invested assets	400,610
Investment income due and accrued	4,189
Totals	\$ 404,799

EMPLOYERS PROTECTIVE INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2024

	<u>Per Company</u>
Total liabilities	<u>\$ 0</u>
Gross paid in and contributed surplus	2,860,461
Unassigned funds (surplus)	<u>(2,455,662)</u>
Surplus as regards policyholders	404,799
Totals	<u>\$ 404,799</u>

EMPLOYERS PROTECTIVE INSURANCE COMPANY
Statement of Income
For the Year Ended December 31, 2024

	<u>Per Company</u>
UNDERWRITING INCOME	
Premiums earned	\$ 0
DEDUCTIONS	
Other underwriting deductions	<u>45,277</u>
Total underwriting deductions	<u>45,277</u>
Net underwriting gain (loss)	(45,277)
INVESTMENT INCOME	
Net investment income earned	<u>14,940</u>
Net investment gain (loss)	14,940
OTHER INCOME	
Total other income	<u>0</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>(30,337)</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>(30,337)</u>
Net income	<u>\$ (30,337)</u>

EMPLOYERS PROTECTIVE INSURANCE COMPANY
Reconciliation of Capital and Surplus Account

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Surplus as regards policyholders, December 31 prior year	\$ 435,137	\$ 368,935	\$ 417,117	\$ 382,892	\$ 431,312
Net income	(30,337)	(33,798)	(48,183)	(65,774)	(48,420)
Surplus adjustments paid in	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
Change in surplus as regards policyholders for the year	<u>(30,337)</u>	<u>66,202</u>	<u>(48,183)</u>	<u>34,225</u>	<u>(48,420)</u>
Surplus as regards policyholders, December 31 current year	<u>\$ 404,800</u>	<u>\$ 435,137</u>	<u>\$ 368,934</u>	<u>\$ 417,117</u>	<u>\$ 382,892</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to financial statements as of December 31, 2024, based on the results of this examination.

OTHER SIGNIFICANT FINDINGS

There were no significant findings as of December 31, 2024, 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 The Thomas Consulting Group, Inc., performed an examination of the **Employers Protective Insurance Company** as of December 31, 2024.

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 standard 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 **Employers Protective Insurance Company** as of December 31, 2024, as determined by the undersigned.



David L. Daulton, CFE
The Thomas Consulting Group, Inc.

Under the Supervision of:



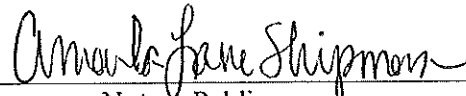
Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

State of:
County of:

On this 13 day of May, 2026, before me personally appeared, David L. Daulton and Jerry Ehlers, to sign this document. J

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 Dec. 20, 2030


Notary Public