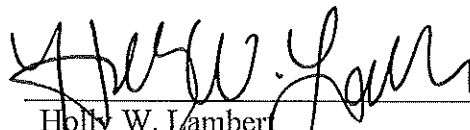


**CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 7113**

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 7<sup>th</sup> day of  
January, 2025.

  
Holly W. Lambert  
Insurance Commissioner  
Indiana Department of Insurance

### AFFIRMATION

I hereby affirm under penalties for perjury that I am the President of the Company, and that in those capacities I provided each of the members of the Board of Directors of the Company an opportunity to review the Report of Examination dated December 31, 2022 and that each of said directors informed me that he/she reviewed said report.

\_\_\_\_\_  
Date

\_\_\_\_\_  
President

Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

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

IN THE MATTER OF:   )  
   )  
Farmers Mutual Company of Grant and Blackford Counties         )  
2125 South Western Avenue   )  
Marion, Indiana 46953   )

Examination of: **Farmers Mutual Company of Grant and Blackford Counties**

### **FINDINGS AND FINAL ORDER**

The Indiana Department of Insurance conducted an examination into the affairs of the Farmers Mutual Company of Grant and Blackford Counties (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 December 4, 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 December 11, 2024 and was received by the Company on December 13, 2024.

The Company did not file any objections.

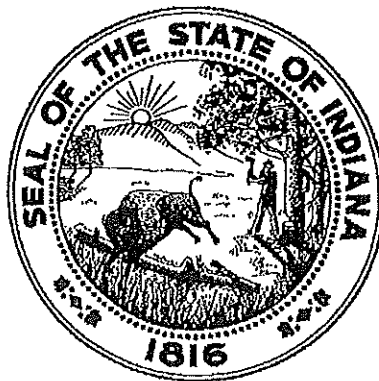
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Farmers Mutual Company of Grant and Blackford Counties as of December 31, 2022.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Farmers Mutual Company of Grant and Blackford Counties to comply with the laws of the State of Indiana.

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**

**FARMERS MUTUAL COMPANY OF GRANT AND BLACKFORD**  
**COUNTIES**  
NAIC Co. CODE 92299

As of  
December 31, 2022



## TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION .....	3
HISTORY.....	3
SURPLUS .....	3
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE COMPANY.....	4
MANAGEMENT AND CONTROL.....	4
Directors .....	4
Officers.....	4
CONFLICT OF INTEREST .....	5
OATH OF OFFICE.....	5
CORPORATE RECORDS.....	5
Articles of Incorporation .....	5
Bylaws.....	5
Minutes.....	5
AFFILIATED COMPANIES .....	5
FIDELITY BOND AND OTHER INSURANCE.....	5
STATUTORY DEPOSITS .....	6
REINSURANCE.....	6
ACCOUNTS AND RECORDS .....	6
FINANCIAL STATEMENTS .....	7
COMMENTS ON THE FINANCIAL STATEMENTS .....	9
OTHER SIGNIFICANT ISSUES .....	9
SUBSEQUENT EVENTS.....	9
AFFIDAVIT.....	10



# STATE OF INDIANA

ERIC J. HOLCOMB, 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)

December 4, 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 4173, an examination has been made of the affairs and financial condition of:

**Farmers Mutual Company of Grant and Blackford Counties**  
**2125 South Western Avenue**  
**Marion, Indiana 46953**

Farmers Mutual Company of Grant and Blackford Counties (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 317-232-2389	COMPANY COMPLIANCE 317-232-3495	CONSUMER SERVICES 317-232-2395/1-800-622-4461	FINANCIAL SERVICES 317-232-2390	MEDICAL MALPRACTICE 317-232-5253	COMPANY RECORDS 317-232-2383	STATE HEALTH INSURANCE PROGRAM 1-800-452-4800
---------------------------------	------------------------------------	--	------------------------------------	-------------------------------------	---------------------------------	--

## **SCOPE OF EXAMINATION**

Representatives of the Indiana Department of Insurance (the Department) last examined Farmers Mutual Company of Grant and Blackford Counties (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 1889 and incorporated in 1891 as Farmers Mutual Insurance Company of Grant County, Indiana. The Company elected to come under Chapter 145, Acts 1919, which was repealed by Acts 1972, P.L. 129-2003 and restated as Indiana Code (IC) 27-5.1, which applies to farm mutual insurance companies, and to become known as Farmers Mutual Insurance Company of Grant and Blackford Counties.

The purpose of the Company, as stipulated within its Articles of Incorporation, is to insure the property of its members against loss or damage to the extent permitted by the Farm Mutual Law under which it operates.

## **SURPLUS**

As of December 31, 2022, the Company had surplus of \$5,148,227 and 608 policies. The policyholders are the owners of the Company.

## **TERRITORY AND PLAN OF OPERATION**

The Company provides insurance coverage for farm buildings, farm personal property, personal household, and dwellings. The Company conducts business in the Indiana counties of Adams, Allen, Blackford, Boone, Carroll, Clay, Clinton, Delaware, Fayette, Franklin, Grant, Greene, Hendricks, Henry, Howard, Huntington, Jay, Kosciusko, Madison, Marion, Miami, Monroe, Montgomery, Noble, Parke, Randolph, Rush, Shelby, Tippecanoe, Wabash, Warren, Wayne, Wells, and Whitley.



## GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Surplus
2022	\$ 5,957,586	\$ 809,359	\$ 5,148,227
2021	6,355,865	780,010	5,575,855
2020	5,449,554	761,652	4,687,902
2019	5,258,827	1,032,439	4,226,388
2018	4,492,279	763,130	3,729,149

## MANAGEMENT AND CONTROL

### Directors

The business of the Company is managed by a Board of Directors (Board) comprised of no less than five (5) and no more than seven (7) members. A majority of the Board constitutes a quorum for the transaction of business. 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
Matthew Boyer	Converse, Indiana
George DeWeese	Warren, Indiana
John Kerlin	Marion, Indiana
Richard Thurman	Hartford City, Indiana
Andrew Tinkle	Marion, Indiana

### Officers

The officers of this Company are a President, a Vice President, a Secretary, and a Treasurer. The following is a listing of the persons serving as officers of the Company as of December 31, 2022:

Name	Office
Richard Thurman	President
John Kerlin	Vice President
Lisa Harvey	Secretary-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 Auto-Owners Insurance Company. The bond has a policy aggregate limit of liability of \$100,000. 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 business liability, professional liability, directors and officers 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 with Grinnell Mutual Reinsurance Company (Grinnell). The reinsurance program includes three (3) treaties, all effective January 1, 2022, which are described below

- *Property Per Risk Excess of Loss Reinsurance* – This coverage limits the Company's liability on an individual occurrence of loss with a retention limit of \$175,000.
- *Property Catastrophe Excess of Loss Reinsurance* – This coverage limits the Company's liability on the first \$450,000 ultimate net loss incurred, per loss occurrence, net of all other reinsurance recoveries.
- *Property Aggregate Excess of Loss Reinsurance* – Grinnell agrees to indemnify the Company for 100% of the Company's ultimate net losses incurred in excess of \$725,000, net of all other reinsurance recoveries.

### 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.

FARMERS MUTUAL COMPANY OF GRANT AND BLACKFORD COUNTIES  
Assets, Liabilities and Surplus  
As of December 31, 2022

	Per Annual Statement
<b>ASSETS</b>	
Bonds	\$ 330,906
Stocks	4,943,519
Bank balances and cash on hand	274,404
Real estate	198,527
Unpaid premiums	207,655
Accrued interest	2,575
Total Assets	<u>\$ 5,957,586</u>
<b>LIABILITIES AND SURPLUS</b>	
Liabilities	
Unpaid claims	\$ 24,887
Less, reinsurance recoverable	<u>-</u>
Net unpaid claims	24,887
Ceded reinsurance balances payable	41,877
Amounts withheld for the account of others	2,002
Unpaid salaries and commissions	21,282
Unearned premium reserve	<u>719,311</u>
Total Liabilities	809,359
Surplus	<u>5,148,227</u>
Total Liabilities and Surplus	<u>\$ 5,957,586</u>

FARMERS MUTUAL COMPANY OF GRANT AND BLACKFORD COUNTIES  
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	\$ 1,485,342
Less: Reinsurance premiums ceded	<u>(348,065)</u>
Total net premiums written	1,137,277
Aggregate excess loss reinsurance paid	<u>(134,673)</u>
Total net premiums	1,002,604
Income from investments	245,080
Other income	<u>13,339</u>
Total income	1,261,023
 <b>DISBURSEMENTS</b>	
Net losses paid:	
Direct losses	273,398
Less: Reinsurance recovered	<u>-</u>
Net losses paid	273,398
Operating expenses	556,812
Non-operating expenses	<u>108,290</u>
Total disbursements	938,500
 <b>CHANGE IN SURPLUS</b>	
Net income	322,523
Change in accrued assets and liabilities	(10,282)
Change in unrealized gains (losses)	(739,869)
Surplus, beginning of period	<u>5,575,855</u>
Surplus, end of period	<u><u>\$ 5,148,227</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**

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 Farmers Mutual Company of Grant and Blackford Counties, as of December 31, 2022.

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

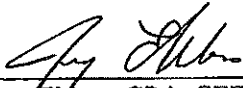
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination by the Indiana Department of Insurance. Such procedures performed on this examination do not constitute an audit made in accordance 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 Farmers Mutual Company of Grant and Blackford Counties 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:



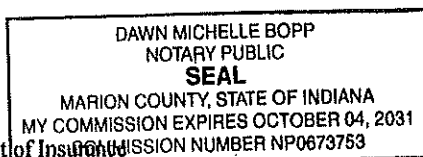
Jerry Ehlers, CPA, CFE (Financial), AES  
Examiner-in-Charge  
Indiana Department of Insurance

On this 7 day of January, 2025, before me personally appeared, Angela L. Ohlmann and Jerry 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: 10/4/2031

  
Notary Public



Indiana Department  
of Insurance  
NAIC Accredited

10

Farmers Mutual Company of Grant and Blackford Counties  
Financial Examination as of 12/31/2022

