

CERTIFIED MAIL NUMBER: 7019 0700 0000 3590 2546

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the United Farm Family Mutual Insurance Company as of December 31, 2020.
2. That the Examiner's Recommendations are reasonable and necessary in order for the United Farm Family 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 24th day of
June, 2022.



Amy L. Beard
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
UNITED FARM FAMILY MUTUAL
INSURANCE COMPANY
NAIC Co. CODE 15288
NAIC GROUP CODE 542

As of
December 31, 2020

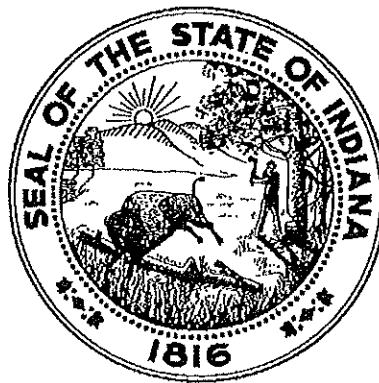


TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION.....	2
HISTORY.....	2
CAPITAL AND SURPLUS.....	2
TERRITORY AND PLAN OF OPERATION.....	3
GROWTH OF THE COMPANY.....	3
MANAGEMENT AND CONTROL.....	3
Policyholders.....	3
Directors.....	3
Officers.....	4
CONFLICT OF INTEREST	5
OATH OF OFFICE.....	5
CORPORATE RECORDS.....	5
Articles of Incorporation	5
Bylaws.....	5
Minutes.....	5
AFFILIATED COMPANIES.....	6
Organizational Structure	6
Affiliated Agreements	6
FIDELITY BOND AND OTHER INSURANCE.....	7
PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS.....	7
SPECIAL AND STATUTORY DEPOSITS.....	8
REINSURANCE.....	8
Assumed Reinsurance	8
Ceded Reinsurance.....	8
ACCOUNTS AND RECORDS	9
FINANCIAL STATEMENTS	10
Assets	10
Liabilities, Surplus and Other Funds.....	11
Statement of Income.....	12
Capital and Surplus Account Reconciliation.....	13
COMMENTS ON THE FINANCIAL STATEMENTS	14
OTHER SIGNIFICANT ISSUES	14
SUBSEQUENT EVENTS.....	14
AFFIDAVIT	15



STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance

Amy L. Beard, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

May 31, 2022

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 4081, an examination has been made of the affairs and financial condition of:

United Farm Family Mutual Insurance Company
225 South East Street
Indianapolis, Indiana 46202

hereinafter referred to as the "Company," or "UFFMIC," an Indiana domestic property and casualty mutual insurance company. The examination was conducted at the offices of Noble Consulting Services, Inc., in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2020, 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	317-232-2990	317-232-2402	317-232-5692	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, 2011 through December 31, 2015. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2016 through December 31, 2020, 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.

Rebecca Freitag, FCAS, MAAA and Merlinos & Associates, provided all actuarial services throughout the examination and conducted a review of the Company's actuarial related risks as of December 31, 2020.

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 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 the Company.

HISTORY

The Company was incorporated under the laws of the state of Indiana on October 17, 1934, under the name Farm Bureau Mutual Insurance Company of Indiana, Inc. The Company commenced business on February 26, 1935. Effective May 1, 1948, the Farm Bureau Fire & Tornado Insurance Company was merged into the Company. The Company became known as United Farm Bureau Mutual Insurance Company effective January 1, 1966, and on May 30, 1996, the Company adopted its current name.

The Company's ultimate controlling person is Indiana Farm Bureau, Inc. (IFBI), an Indiana non-for-profit agricultural membership cooperative. UFFMIC's affiliates, United Farm Family Life Insurance Company (UFFLIC), UFB Casualty Insurance Company (UFBCIC), and United Home Life Insurance Company (Home Life) provide insurance to IFBI members and other consumers in Indiana and are collectively known as Indiana Farm Bureau Insurance.

CAPITAL AND SURPLUS

The Company is a mutual insurance company and has no capital stock authorized, issued, or outstanding.

TERRITORY AND PLAN OF OPERATION

The Company is a licensed insurer in the states of Indiana and Ohio. The Company is a multi-line carrier with a primary focus on a personal auto, homeowners, farm owners, and workers' compensation coverages. Commercial products such as coverage for apartments, business owners, churches, offices, service organizations, and other smaller commercial risks such as contractors, restaurants, and retail stores are also written.

The Company utilizes a common multi-line agency force shared with its life and health affiliate, UFFLIC. This field force includes approximately 434 agents throughout Indiana. The Company's products are available only to members of IFBI.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results, (in 000s), of the Company during the examination period^A:

Year	Admitted Assets	Liabilities	Surplus and Other Funds *	Premiums Earned	Net Income
2020	\$ 1,307,511	\$ 702,779	\$ 604,731	\$ 627,213	\$ 66,251
2019	1,226,320	686,905	539,414	615,672	34,531
2018	1,152,868	649,381	503,487	593,916	47,527
2017	1,098,483	636,383	462,101	558,415	35,265
2016	1,056,560	608,649	447,911	539,777	32,874

The increases year to year noted are due to the steady growth the Company has experienced.

MANAGEMENT AND CONTROL

Policyholders

As a mutual insurer, every policyholder of the Company, except the holder of a policy or contract of reinsurance, shall be a member and have the right to one (1) vote at each policyholders' or members' meeting regardless of the number of policies or amount of insurance he or she may have with the Company.

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of thirteen (13) directors, each of whom shall be a citizen of the United States and a policyholder whose policy shall not be encumbered by any liens, and a majority of whom shall be residents of Indiana and shall serve for three (3) year terms. Directors are elected at each annual meeting of the members.

^A Amounts may include immaterial rounding differences.

The following is a listing of persons serving as directors as of December 31, 2020, and his or her principal occupations as of that date:

<u>Name and Address</u>	<u>Principal Occupation</u>
Isabella Chism Galveston, Indiana	Farmer Self-Employed
Kendell Culp Rensselaer, Indiana	Vice President Indiana Farm Bureau, Inc.
Marybeth Miskovic Feutz Princeton, Indiana	Farmer Self-Employed
Robert Geswein Floyds Knobs, Indiana	Farmer Self-Employed
Terry Hayhurst Terre Haute, Indiana	Farmer Self-Employed
Bruce Herr Warren, Indiana	Farmer Self-employed
Randall Kron Evansville, Indiana	President Indiana Farm Bureau, Inc.
Kevin Ousley Columbia City, Indiana	Farmer Self-Employed
Kermit Paris Milroy, Indiana	Farmer Self-Employed
Harold Parker LaPorte, Indiana	Farmer Self-Employed
Jonathan Sparks Greenfield, Indiana	Farmer Self-Employed
Kevin Underwood West Lafayette, Indiana	Farmer Self-Employed
David Wyeth ^B North Salem, Indiana	Farmer Self-Employed

Officers

The Bylaws state that the elected officers of the Company shall consist of a President, a non-operating Vice President who is a Director, an Executive Vice President, one (1) or more operating Vice Presidents, a Treasurer, a Secretary, a General Counsel, and such other officers as may be chosen by the Board. Each of these officers is elected by the Board and shall hold office until the next annual meeting, until his or her death, resignation or removal by the President, or resolution of the Board prior to such meeting date.

^B Effective December 10, 2021, David Wyeth resigned as a Director and Bruce Guernsey was elected to fill the unexpired term.

The following is a list of key officers and his or her respective titles as of December 31, 2020:

<u>Name</u>	<u>Office</u>
Joseph Martin ^C	Executive Vice President, Chief Executive Officer
Randall Kron	President
Kristin Keltner	Senior Vice President, General Counsel, Secretary
Mark Miske	Senior Vice President, Chief Financial Officer, Treasurer
Richard Kuster, Jr.	Senior Vice President, Marketing
Kevin Murphy ^D	Senior Vice President, Property and Casualty Operations
Gregory Clancy	Senior Vice President, Information Systems
Kendell Culp	Vice President
Jeffrey McDonald ^E	Vice President, Chief Actuary
Mark Sigler	Assistant Secretary

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, 2020.

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, 2020.

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 policyholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

^C Effective January 1, 2021, Kevin Murphy replaced Joseph Martin as the EVP, CEO.

^D Effective January 1, 2021, Jeffrey McDonald replaced Kevin Murphy as the SVP, P&C Operations.

^E Effective January 1, 2021, Brian Poole replaced Jeffrey McDonald as the VP, Chief Actuary.

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. For each year under review, the annual meeting of policyholders was held as required.

The Company committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Budget Committee, and Investment Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and subsidiaries as of December 31, 2020:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Indiana Farm Bureau, Inc		
Indiana Farm Bureau Members Health LLC		IN
United Farm Family Life Insurance Company	69892	IN
United Home Life Insurance Company	69922	IN
UFB Properties ^F		IN
United Farm Family Mutual Insurance Company	15288	IN
UFB Casualty Ins. Company	20303	IN
Rural Insurance Agency, Inc.		IN
Peril Product, 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.

Service Agreements

The Company has a Service Agreement whereby IFBI agrees to sponsor the insurance programs, permit the use of its name, make available its membership lists, and conduct research to determine the insurance needs of its members. In return for the performance of these services, the Company reimburses IFBI for the estimated costs of performing such services and providing the required information. Costs are estimated annually. In 2020, the Company paid \$135 thousand for services provided pursuant to this agreement.

Intercompany Services Agreement

Effective December 31, 2007, UFFMIC and certain of its affiliates and subsidiary companies entered into an Intercompany Services Agreement whereby UFFMIC agrees to perform services on behalf of UFFLIC and the affiliates. UFFMIC is not entitled to compensation for these services except for its actual cost when it incurs expenses on behalf of UFFLIC and the affiliates. In 2020, pursuant to the Intercompany Services Agreement, UFFMIC incurred \$53.4 million of expenses on behalf of UFFLIC for which UFFLIC reimbursed it. Additionally, UFFMIC incurred \$118 thousand in expenses on behalf of Home Life for which Home Life reimbursed this amount.

Indemnity Reinsurance and Management Agreement

^F UFB Properties is 65% owned by UFFMIC and 35% by UFFLIC

The Company has an Indemnity Reinsurance and Management Agreement whereby the Company contracts with UFBCIC. Under this agreement, the Company indemnifies the ceding insurer UFBCIC for all lines of insurance written. In 2020 under the agreement, UFBCIC did not pay a management fee to the Company and the Company did not pay ceding commissions to UFBCIC.

Consolidated Federal Income Tax Allocation Agreement

The Company has separate consolidated tax allocation agreements with UFBCIC and Rural Insurance Agency, Inc., whereby each of the Company's affiliates are filed on a consolidated federal income tax return. Under the agreements, the subsidiary is charged or refunded the amount that the subsidiary would be entitled to if it had filed separately. Also, the agreements establish an escrow account, maintained by the Company, in an amount equal to the amount actually paid by the Company, and the amount due to/from subsidiaries if unconsolidated returns had been filed. Settlement under this agreement occurs within thirty (30) days of filing, except where a refund is due; in this case, the Company may defer settlement until thirty (30) days after receipt of the refund.

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 Travelers Casualty and Surety Company of America. The bond has a single loss coverage limit of \$3 million (\$6 million aggregate limit), with a \$50,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2020, including but not limited to corporate and county liability, directors' and officers' liability, employed lawyers' professional liability, excess liability, umbrella, and workers' compensation.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company participates in a qualified, noncontributory defined benefit plan, covering substantially all employees. The plan is sponsored and administered by UFFLIC. Benefits under the plan were frozen as of March 31, 2004. The plan has met ERISA minimum funding requirements. As of December 31, 2020, the Company accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

Effective January 1, 2004, the Company participates in a qualified, noncontributory defined contribution plan, covering substantially all employees of IFBI, sponsored by UFFLIC. The contribution is determined based on age and date of employment. Current year contributions are generally paid the following February. Contributions were \$7.6 million and \$7.8 million in the current and prior year, respectively.

Effective January 1, 2004, the Company participates in a nonqualified, noncontributory defined contribution plan, covering independent contractors hired before April 1, 2004, sponsored by UFFLIC. The contribution is determined based on age. Current year contributions are generally paid the following February. Contributions were \$3.1 million and \$3.2 million in the current and prior year, respectively.

The Company also participates in a defined contribution plan sponsored by the Company, which covers all employees with at least six (6) months of employment. Employer matching and other contributions are discretionary. The Company currently matches 50% of the first 4% of employee contribution. Contributions were \$1.2 million and \$1.2 million in the current and prior year, respectively.

SPECIAL AND STATUTORY DEPOSITS

The Company reported the following special and statutory deposits, as of December 31, 2020:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For the Benefit of All Policyholders:		
Indiana	\$ 141,781	\$ 141,781
Total Deposits	<u>\$ 141,781</u>	<u>\$ 141,781</u>

REINSURANCE

Assumed Reinsurance

The Company assumes business from one (1) primary insurer, American Agricultural Insurance Company (AAIC). 99.3% of total reinsurance premiums assumed by the Company involve participation in several insurance pools managed by AAIC. The most significant assumed pools involve participation in AAIC's Occurrence Property Catastrophe pool, the Farm Bureau Loss Sharing Pool, and domestic and international reinsurance assumed pools operated by AAIC.

In the aggregate, the Company assumed total premiums of \$41.8 million from AAIC during 2020, and as of December 31, 2020, reported payables to AAIC of \$16.7 million for known case losses and loss adjustment expenses.

In addition to the reinsurance activity described above, the Company had other small participations on various pools and treaties. None of these arrangements involved financially significant amount of premiums or known case reserves in 2020.

Ceded Reinsurance

The Company utilizes reinsurance to limit its maximum per-risk exposure to not more than \$800 thousand per loss. In addition, the Company utilizes catastrophe reinsurance which is designed to limit the Company's overall loss arising from a single event. In 2020, catastrophe reinsurance provided 100% of \$320 million in excess of \$18 million per catastrophe retention.

The Company's primary reinsurer is AAIC which accounted for over 98% of the Company's ceded premiums and reinsurance recoverable during 2020.

The primary ceded contracts with AAIC were:

- Aggregate Property and Auto Physical Damage catastrophe reinsurance — qualifying events over \$5 million contract retention \$32.5 million
- Farm Bureau Loss Sharing Pool
- Liability excess of loss
- Multi-Peril Crop Insurance 10% quota share with AAIC
- Property and Auto Physical Damage catastrophe reinsurance
- Property per-risk excess of loss
- Property surplus share

- Umbrella liability quota share
- Workers' Compensation excess of loss

In 2020, the Company ceded \$76.7 million to AAIC in connection with the above-described reinsurance plans and reported total reinsurance recoverable due from AAIC totaling \$37.7 million. AAIC is an authorized reinsurer in Indiana and thus all reinsurance recoverable qualify as admitted assets.

The Company also participates in other minor ceded pools and plans, which are not material. There were no significant new reinsurance ceded relationships added during the period covered by this examination.

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 balance prepared from the Company's general ledger for the year ended December 31, 2020 was agreed to the Annual Statement. The Annual Statement for the year ended December 31, 2020 was agreed to the independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

FINANCIAL STATEMENTS

UNITED FARM FAMILY MUTUAL INSURANCE COMPANY

Assets
As of December 31, 2020
(in 000s)

	<u>Per Examination*</u>
Bonds	\$ 850,120
Stocks:	
Preferred stocks	2,124
Common stocks	112,056
Mortgage loans on real estate:	
First liens	106,096
Other than first liens	2,950
Real Estate	
Properties occupied by the company	456
Cash, cash equivalents and short-term investments	21,110
Other invested assets	41,950
Receivables for securities	238
Subtotals, cash and invested assets	<u>1,137,099</u>
Investment income due and accrued	7,879
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	5,222
Deferred premiums, agents' balances and installments booked but deferred and not yet due	124,061
Reinsurance:	
Amounts recoverable from reinsurers	1,340
Current federal and foreign income tax recoverable and interest thereon	2,878
Net deferred tax asset	12,352
Guaranty funds receivable or on deposit	125
Electronic data processing equipment and software	2,149
Receivables from parent, subsidiaries and affiliates	1,999
Aggregate write-ins for other than invested assets	<u>12,407</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>1,307,511</u>
TOTAL **	<u>\$ 1,307,511</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

** The balance includes immaterial rounding differences.

UNITED FARM FAMILY MUTUAL INSURANCE COMPANY
Liabilities, Surplus and Other Funds
As of December 31, 2020
(in 000s)

	<u>Per Examination*</u>
Losses	\$ 255,936
Loss adjustment expenses	43,280
Commissions payable, contingent commissions and other similar charges	4,837
Other expenses	11,596
Taxes, licenses and fees	1,656
Unearned premiums	267,578
Advance premium	8,213
Ceded reinsurance premiums payable	17,928
Funds held by company under reinsurance treaties	247
Amounts withheld or retained by company for account of others	3,928
Remittances and items not allocated	962
Payable to parent, subsidiaries and affiliates	3,068
Aggregate write-ins for liabilities	83,550
Total liabilities excluding protected cell liabilities	<u>702,779</u>
Total liabilities	<u>702,779</u>
Unassigned funds (surplus)	<u>604,731</u>
Surplus as regards policyholders	<u>604,731</u>
TOTAL**	<u>\$ 1,307,511</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

** The balance includes immaterial rounding differences.

UNITED FARM FAMILY MUTUAL INSURANCE COMPANY
Statement of Income
For the Year Ended December 31, 2020
(in 000s)

	<u>Per Examination*</u>
UNDERWRITING INCOME	
Premiums earned	\$ 627,213
DEDUCTIONS	
Losses incurred	349,398
Loss adjustment expenses incurred	53,677
Other underwriting expenses incurred	179,921
Total underwriting deductions	<u>582,997</u>
Net underwriting gain (loss)	44,217
INVESTMENT INCOME	
Net investment income earned	32,478
Net realized capital gains (losses) less capital gains tax	1,761
Net investment gain (loss)	<u>34,239</u>
OTHER INCOME	
Finance and service charges not included in premiums	2,836
Aggregate write-ins for miscellaneous income	175
Total other income	<u>3,011</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>81,467</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	81,467
Federal and foreign income taxes incurred	<u>15,216</u>
Net income**	<u>\$ 66,251</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

** The balance includes immaterial rounding differences.

UNITED FARM FAMILY MUTUAL INSURANCE COMPANY
Capital and Surplus Account Reconciliation
(in 000s)

	2020	2019	2018	2017	2016
Surplus as regards policyholders, December 31 prior year	\$ 539,414	\$ 503,487	\$ 462,101	\$ 447,911	\$ 414,440
Net income	66,251	34,531	47,527	35,265	32,874
Change in net unrealized capital gains or (losses) less capital gains tax	6,407	7,893	(1,289)	2,829	3,798
Change in net deferred income tax	1,704	1,806	(2,230)	(14,236)	(3,634)
Change in nonadmitted assets	2,195	(6,782)	(5,640)	(14,988)	(8,401)
Aggregate write-ins for gains and losses in surplus	(11,239)	(1,522)	3,019	5,320	8,833
Change in surplus as regards policyholders for the year	65,317	35,927	41,386	14,190	33,471
Surplus as regards policyholders, December 31 current year**	<u>\$ 604,731</u>	<u>\$ 539,414</u>	<u>\$ 503,487</u>	<u>\$ 462,101</u>	<u>\$ 447,911</u>

** The balance includes immaterial rounding differences.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2020, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

There were no other significant issues as of December 31, 2020, 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.

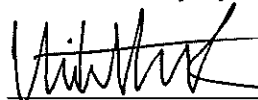
AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Merlino & Associates, Inc., performed an examination of United Farm Family Mutual Insurance Company, as of December 31, 2020.

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

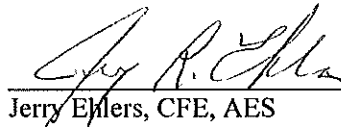
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing 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 condition of United Farm Family Mutual Insurance Company as of December 31, 2020, as determined by the undersigned.



Vitaliy Kyryk, CFE
Noble Consulting Services, Inc.

Under the Supervision of:



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

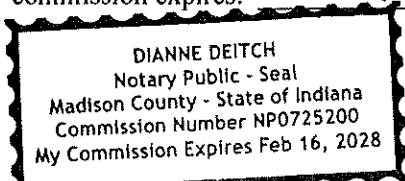
State of: Indiana
County of: Marion

On this 7th day of June, 2022, before me personally appeared, Vitaliy Kyryk and Jerry Ehlers, to sign this document.

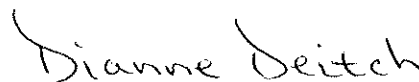
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires:

2/16/2028



Notary Public



Notary Public

