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

IN THE MATTER OF:)
)
Mid-State Farmer's Mutual Insurance Company)
1008 Lincoln Hwy East)
New Haven, Indiana 46774)

Examination of: **Mid-State Farmer's 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 Mid-State Farmer's Mutual Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on September 3, 2026 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 Mid-State Farmer's 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.

9/15/2026
Date

Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7004 1160 0000 3835 5618

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

IN THE MATTER OF:)
)
Mid-State Farmer's Mutual Insurance Company)
1008 Lincoln Hwy East)
New Haven, Indiana 46774)

Examination of: **Mid-State Farmer's Mutual Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Mid-State Farmer's 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 August 25, 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 September 3, 2026 and was received by the Company on September 3, 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 Mid-State Farmer's Mutual Insurance Company as of December 31, 2023.
2. That the Examiner's Recommendations are reasonable and necessary in order for the Mid-State Farmer's 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 15th day of September, 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

MID-STATE FARMER'S MUTUAL INSURANCE COMPANY

NAIC Co. CODE 92293

As of

December 31, 2023

TABLE OF CONTENTS

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

August 25, 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 4203, an examination has been made of the affairs and financial condition of:

Mid-State Farmer's Mutual Insurance Company
1008 Lincoln Hwy East
New Haven, Indiana 46774

Mid-State Farmer's Mutual Insurance Company (the Company) is an Indiana domiciled, farm mutual insurance company.

MarksNelson Advisors, formerly known as Ingardus, conducted the examination remotely with the cooperation of the Company.

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

SCOPE OF EXAMINATION

Representatives of the Indiana Department of Insurance (the Department) last examined Mid-State Farmer's Mutual Insurance Company (the Company) for the period ending December 31, 2018. MarksNelson Advisors, LLC, formerly Ingardus, LLC, conducted the present risk-focused examination for the period from January 1, 2019 through December 31, 2023. 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 the Farmers Mutual Fire Insurance Association of Allen County and elected to operate under Chapter 145, Acts 1919, during 1924, 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. On January 1, 1988, the Company merged with Farmers Mutual Insurance Company of Jay County with the Company being the surviving entity. At that time, the Company changed its name to Mid-State Farmers Mutual Insurance Company.

The purpose of the Company, as stipulated within its Articles of Incorporation (Articles), is to insure its members against loss from hazards permitted to be insured against by the farm mutual law under which it operates and distributes on the mutual insurance plan such losses as may occur in spite of reasonable precautions.

SURPLUS

As of December 31, 2023, the Company had surplus of $1,179,583 and 1,821 policyholders, who are the owners of the Company.

TERRITORY AND PLAN OF OPERATION

The Company provides personal lines coverage, primarily for homes and farms, as well as farm equipment and livestock. The Company conducts business in the Indiana counties of Adams, Allen, Blackford, Boone, Brown, Cass, Clark, Clinton, Dearborn, DeKalb, Delaware, Elkhart, Fayette, Fountain, Franklin, Fulton, Grant, Hamilton, Hancock, Harrison, Henry, Howard, Huntington, Jay, Jefferson, Knox, Kosciusko, LaGrange, Madison, Marshall, Miami, Montgomery, Noble, Parke, Porter, Pulaski, Putnam, Randolph, Ripley, Rush, Scott, St. Joseph, Starke, Steuben, Switzerland, Tippecanoe, Tipton, Union, Wabash, Wayne, Wells and Whitley.

GROWTH OF THE COMPANY

The following exhibit summarizes the financial results of the Company during the examination period. All amounts were adjusted, per the examination. See the Comments on the Financial Statements section of this Report of Examination.

Year	Admitted Assets	Liabilities	Surplus
2023	$1,768,210	$588,627	$1,179,583
2022	1,825,026	636,123	1,188,904
2021	2,488,056	1,108,947	1,379,109
2020	2,081,990	723,902	1,358,088
2019	1,942,452	658,222	1,284,230

MANAGEMENT AND CONTROL

Directors

The business of the Company is managed by a Board of Directors (Board), which is to be composed of seven (7) but not more than nine (9) directors. Each director serves for a term of three (3) years. The directors are elected at the annual meeting of the Company's members. The following is a listing of persons serving as directors as of December 31, 2023:

Name	City
Marilyn Arnold	Fort Wayne, Indiana
Greg Baumert	Monroeville, Indiana
Daniel Gustin	Fort Wayne, Indiana
David McIntyre	North Manchester, Indiana
James Thompson, Jr.	Harlan, Indiana

Officers

The officers of this Company are a President, a Vice President, a Treasurer, and a Secretary. The following is a listing of the persons serving as officers of the Company as of December 31, 2023:

Name	Office
Marilyn Arnold	President
Greg Baumert	Vice President
Nicole Chapman	Secretary/Treasurer

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that only the Secretary/Treasurer listed in the Management and Control section of this Report of Examination has reviewed and signed a conflict of interest statement 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 none of directors listed in the Management and Control section of this Report of Examination subscribed to an oath as of December 31, 2023.

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 other than those noted in the Subsequent Events section of this report.

AFFILIATED COMPANIES

The Company did not have any affiliated companies during the Examination Period. The Company entered into an affiliation agreement subsequent to the Examination Period. See the Subsequent Events section of this report for more details.

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 CUNA Mutual Group. The bond has a policy aggregate limit of liability of $250,000. 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, 2023, including but not limited to cyber, professional liability, directors and officers, and employment practices.

STATUTORY DEPOSITS

As a farm mutual insurer, the Company is not required to maintain a statutory deposit with the state of Indiana.

REINSURANCE

During the examination period, the Company purchased reinsurance from Grinnell Mutual Reinsurance Company (Grinnell) as follows:

- *Property per Risk Excess of Loss* – The Company's retention was $125,000 for 2023 and the coverage limit was 100% above the retention subject to limitations.
- *Property Catastrophe Excess of Loss* – The Company's retention was $350,000 and the coverage limit was 100% above the retention subject to limitations.
- *Property Aggregate Excess* – The Company's retention was $825,000 for 2023 and the coverage limit was 100% of unlimited losses above the retention.

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, 2022 and 2023, were agreed to the respective Annual Statements.

MID-STATE FARMER'S MUTUAL INSURANCE COMPANY
Assets, Liabilities and Surplus
As of December 31, 2023

	As of December 31, 2023		
	Per Annual Statement	Examination Adjustments*	Per Examination
ASSETS			
Bonds	$ 124,416	$ (12,972)	$ 111,444
Stocks	1,426,740	-	1,426,740
Bank balances:			
Subject to check	148,065	-	148,065
On interest	20,560	-	20,560
Real estate	62,443	-	62,443
Cash in office	200	-	200
Commissions receivable	2,059	-	2,059
Total Assets	$ 1,784,483	$ (12,972)	$ 1,771,511
LIABILITIES AND SURPLUS			
Liabilities			
Unpaid claims	$ 132,712	$ -	$ 132,712
Less, reinsurance recoverable	(5,580)	-	(5,580)
Net unpaid claims	127,132	-	127,132
Unpaid salaries and commissions	17,781		17,781
Unpaid premiums	3,301	-	3,301
Ceded reinsurance balances payable	42,487	-	42,487
Premiums received in advance	12,560	-	12,560
Taxes payable	838		838
Unearned premium reserve	387,829	-	387,829
Total liabilities	591,928	-	591,928
Surplus	1,192,555	(12,972)	1,179,583
Total liabilities and surplus	$ 1,784,483	$ (12,972)	$ 1,771,511

* The Company overstated the value of bonds and surplus by $12,972. See the Comments on the Financial Statements section of this Report of Examination.

MID-STATE FARMER'S MUTUAL INSURANCE COMPANY
Income Statement and Change in Surplus
For the year ended December 31, 2023

	For the period ended December 31, 2023		
	Per Annual Statement	**Examination Adjustments ****	**Per Examination**
INCOME			
Net premiums:			
Direct premiums written	$ 1,526,435	$ -	$ 1,526,435
Less: Reinsurance premiums ceded	(643,332)	-	(643,332)
Total net premiums written	883,103	-	883,103
Membership and policy fees	7,910		7,910
Total net premiums	891,013	-	891,013
Income from investments	106,014	(12,972)	93,042
Other income	417,408	-	417,408
Total income	1,414,435	(12,972)	1,401,463
DISBURSEMENTS			
Net losses paid:			
Direct losses	1,115,106	-	1,115,106
Less: Reinsurance recovered	(494,173)	-	(494,173)
Net losses paid	620,933	-	620,933
Operating expenses	610,605	-	610,605
Non-operating expenses	225,211	-	225,211
Total disbursements	1,456,749	-	1,456,749
CHANGE IN SURPLUS			
Net income	(42,314)	(12,972)	(55,286)
Change in ledger assets and liabilities	(238,827)	-	(238,827)
Change in unrealized gain (loss)	284,792	-	284,792
Surplus, beginning of period	1,188,904	-	1,188,904
Surplus, end of period	$ 1,192,555	$ (12,972)	$ 1,179,583

** The Company overstated its interest income from bonds. The net loss increased as a result of this adjustment. See the Comments on the Financial Statements section of this Report of Examination.

COMMENTS ON THE FINANCIAL STATEMENTS

The Company overstated the interest earned on its bonds by $12,972. As a result, surplus and income from investments were also overstated.

OTHER SIGNIFICANT ISSUES

IC 27-13-6 requires the Company's risk retention per occurrence to be less than 10% of surplus. The Company's 2023 individual occurrence of loss retention was $125,000, which is in excess of 10% of surplus.

We recommend that the Company adjust their risk retention for future periods to comply with the statute.

SUBSEQUENT EVENTS

In January 2024, the board of directors approved an affiliation with Wayne Mutual Insurance Company (Wayne). The affiliation allows the existing Wayne board of directors and officers to lead both companies. As a result of this affiliation, the Articles of Incorporation and Bylaws were amended in May 2024.

In November 2025, the board of directors and policyholders of the Company approved a merger between the Company and Farmers' Mutual Rescue Insurance Company of LaGrange County. The Company is to be the surviving entity.

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 MarksNelson Advisors, hereinafter collectively referred to as the "Examiners", performed an examination of the Mid-State Farmer's 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 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 Mid-State Farmer's Mutual Insurance Company as of December 31, 2023, as determined by the undersigned.

Michael Kilkenny

Michael Kilkenny, J.D., CFE (Fraud), MCM
MarksNelson Advisors, LLC

Under the Supervision of:

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

On this 14th day of September 2026, before me personally appeared, Michael Kilkenny 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: 10/4/2031 Dawn Michelle Bopp
Notary Public

DAWN MICHELLE BOPP
NOTARY PUBLIC
SEAL
MARION COUNTY, STATE OF INDIANA
MY COMMISSION EXPIRES OCTOBER 04, 2031
COMMISSION NUMBER NP0673753