



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

IN THE MATTER OF:   )  
   )  
**American Agricultural Insurance Company**   )  
**225 South East Street**   )  
**Indianapolis, Indiana 46202**   )

Examination of: **American Agricultural Insurance Company**

### **FINDINGS AND FINAL ORDER**

The Indiana Department of Insurance conducted an examination into the affairs of the American Agricultural 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 June 26, 2025.

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 29, 2025, and was received by the Company on June 5, 2025.

On June 5, 2025, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company’s response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

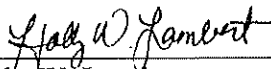
1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2023.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance 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, as amended, 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, as amended. 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 30<sup>th</sup> day of  
June, 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.

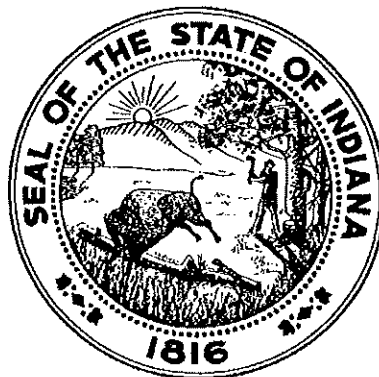
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

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

**AMERICAN AGRICULTURAL INSURANCE COMPANY**  
NAIC Co. Code 10103

As of

December 31, 2023



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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)

June 26, 2025

Honorable Holly Williams 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 4196, an examination has been made of the affairs and financial condition of:

**American Agricultural Insurance Company**  
**225 South East Street**  
**Indianapolis, Indiana 46202**

hereinafter referred to as the "Company", an Indiana domestic stock, property and casualty insurance company. The examination was conducted remotely with assistance from the corporate office staff in Schaumburg, Illinois.

The Report of Examination, reflecting the status of the Company as of December 31, 2023, 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	317-232-2390	317-232-5253	317-232-2383	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, 2014 through December 31, 2018. The present risk-focused examination was conducted by Thomas Consulting Group, Inc., and covered the period from January 1, 2019 through December 31, 2023, 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.

The actuarial specialists, Robert Daniel, ACAS, MAAA, and Austin Joost, ACAS, both of Davis North America, provided all actuarial services throughout the examination and conducted a review of the Company's actuarial-related risks as of December 31, 2023.

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 examination an adjustment is identified, the impact of such an 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 was incorporated on May 18, 1948, as a capital stock company and began business on May 26, 1948. It was reincorporated in 1954 and converted to a mutual carrier with the title American Agricultural Mutual Insurance Company. The Company was once again reincorporated on July 25, 1968 as a capital stock company under its present name.

On April 30, 1999, the Company purchased Nationwide-Re, a division of Nationwide Mutual Insurance Company, as part of its strategic plan to diversify its reinsurance business by expanding Non-Farm Bureau premium writings.

## CAPITAL AND SURPLUS

The Company had 500,000 authorized shares of common stock with a par value of \$100 per share with 318,810 shares issued and 266,273 shares outstanding. In addition, the Company has authorized 500,000 shares of \$1,000 par value, 6.5% non-voting, non-cumulative preferred stock with 31,129 issued and 19,935 outstanding. The Company's reported total capital and surplus of \$712,376 thousand which included common capital stock of \$31,881 thousand, preferred stock of \$19,935 thousand, gross paid-in and contributed surplus of \$13,385 thousand, unassigned funds (surplus) of \$653,278 thousand, surplus notes of \$49,516 thousand, and less treasury stock of \$55,619 thousand consisting of 52,537 common shares.

No capital contributions were made or received during the examination period.



## DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends, (in 000s), to the preferred stockholders during the examination period:

<u>Year</u>	<u>Total</u>	<u>Ordinary Dividends</u>	<u>Extraordinary Dividends</u>
2023	\$ 1,296	\$ 1,296	\$ -
2022	1,296	1,296	-
2021	1,520	1,520	-
2020	1,799	1,799	-
2019	2,023	2,023	-
Total	<u>\$ 7,934</u>	<u>\$ 7,934</u>	<u>\$ -</u>

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net income of such insurer of the prior year. The dividends paid during the examination period were ordinary in nature and did not require prior regulatory approval. The Company notified the INDOI of all declared ordinary dividends during the examination period.

## MANAGEMENT AND CONTROL

### Directors

The Company's Bylaws state that the Board of Directors (Board) shall not be less than three (3) and not more than the number of Designating Shareholders, plus eight (with no less than five (5) and no more than seven (7) to be Advisory (Non-Voting,) plus the President of American Farm Bureau Federation (AFBF). Designating Shareholders are affiliated with a state Farm Bureau organization that is a member of AFBF that maintains a minimum investment level in the Company equal to or greater than either one percent (1%) of the Shareholder company's surplus at the prior year end or two- and one-half percent (2.5%) of the total outstanding securities of the Company. The Shareholders elect the Board at the Annual Meeting.

The following is a list of persons serving as directors as of December 31, 2023, and their principal occupations as of that date:

<u>Name and Location</u>	<u>Principal Occupation</u>
Jeff Aiken Telford, Tennessee	Retired President Tennessee Farm Bureau Federation
Virgil Applequist Palatine, Illinois	Retired CEO American Agricultural Insurance Company
Carl J. Bednarski Caro, Michigan	President Michigan Farm Bureau
Russell W. Boening Floresville, Texas	President Texas Farm Bureau Federation
Carlyle Currier Molina, Colorado	President Colorado Farm Bureau Federation

Vincent M. Duvall Greensboro, Georgia	President and Chairman of the Board American Farm Bureau Federation
Todd Fornstrom Pine Bluffs, Wyoming	President Wyoming Farm Bureau Federation
William S. Harding Raleigh, North Carolina	President North Carolina Farm Bureau Federation, Inc.
Jim Harper Cheneyville, Louisiana	President Louisiana Farm Bureau Federation, Inc.
Garrett Hawkins Appleton City, Missouri	President Missouri Farm Bureau Federation
John L. Hoblick Deleon Springs, Florida	Retired President Florida Farm Bureau Federation
Randall Kron Evansville, Indiana	President Indiana Farm Bureau, Inc.
Eric Mayberry Hurricane Mills, Tennessee	President Tennessee Farm Bureau Federation
Tom McCall Elberton, Georgia	President Georgia Farm Bureau Federation
David M. McCormick Union Church, Mississippi	President Mississippi Farm Bureau Federation
Mark McHargue Marquette, Nebraska	President Nebraska Farm Bureau Federation
Rodd A. Moesel Oklahoma City, Oklahoma	President Oklahoma Farm Bureau Federation
Harry L. Ott St. Matthews, South Carolina	President South Carolina Farm Bureau Federation
Jimmy L. Parnell Stanton, Alabama	President Alabama Farmers Federation
Wayne F. Pryor Goochland, Virginia	President Virginia Farm Bureau Federation
Cheryl Radke Englewood, Colorado	Retired CEO & General Manager Colorado Farm Bureau Insurance Company
Bryan L. Searle Shelley, Idaho	President Idaho Farm Bureau Federation

Stefanie Smallhouse	President
Benson, Arizona	Arizona Farm Bureau Federation
Jeb Smith	President
Hastings, Florida	Florida Farm Bureau Federation
Larry Wooten	Retired
Raleigh, North Carolina	North Carolina Farm Bureau Federation

### Officers

The Bylaws specify that the officers of the Company shall be a President, a Chief Executive Officer, a First Vice President, one (1) or more Vice Presidents, a Secretary, one (1) or more Assistant Secretaries, a Treasurer, one (1) or more Assistant Treasurers, and such other officers as the Board shall deem necessary.

The following is a list of key officers and their respective titles as of December 31, 2023:

<u>Name</u>	<u>Office</u>
Vincent M. Duvall	President, Chairman of the Board
Andrew S. Boris	Chief Executive Officer, Executive Vice President
William S. Harding	First Vice President
Ellen S. Steen	Second Vice President
Michael A. Conlon	Secretary, General Counsel,
August J. Tripi, Jr.	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, 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 all directors listed in the Management and Control section of this Report of Examination have 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 made to the Bylaws during the examination period.

## Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination and through the fieldwork completion date and significant actions taken during each meeting were noted. For the period under examination, the annual meetings of the shareholders were held in accordance with IC 27-1-7-7(b) and the Company's Bylaws.

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

## **AFFILIATED COMPANIES**

### Organizational Structure

The Company is owned by the insurance company affiliates of various state Farm Bureau insurance companies and by AFBF, an Illinois not-for-profit agricultural membership organization. As of December 31, 2023, the Farm Bureau insurance companies owned a combined 265,830 shares of outstanding common stock. AFBF owned 443 shares of common stock, and the Company held 52,537 shares of common treasury stock.

As of December 31, 2023, there were three (3) Farm Bureau insurance companies that owned 10% or more of the Company's outstanding common stock: Country Mutual Insurance Company (IL) (13.660%), Tennessee Farmers Mutual Insurance Company (13.040%), and North Carolina Farm Bureau Mutual Insurance Company (10.454%). All three (3) of these insurers filed disclaimers of control statements with the INDOI.

The Company is a member of a holding company system, whereby it is the ultimate controlling entity. The Company is the parent of one (1) wholly owned subsidiary, American Agricultural Insurance Agency (AAIA). In addition, as of December 31, 2023, the Company owned 9.1% of the voting shares of American Farm Bureau Insurance Services (AFBIS). A brief description of these entities is as follows:

AAIA is a for-profit company incorporated in the state of Illinois. The Company acquired 100% of the outstanding shares of AAIA from AFBF, effective October 27, 2008. AAIA is an active insurance agency.

AFBIS was founded in June 1995 for the purpose of providing various crop insurance services to Farm Bureau insurance companies. These services include software to meet reporting requirements, underwriting reviews, claims handling, data entry, policy distribution, and billing functions. AFBIS also administers the Company's crop hail and multiple peril crop insurance (MPCI) business.

### Affiliated Agreements

The following significant affiliated agreements were disclosed as part of Form B Holding Company Registration Statement and were filed with and not disapproved by the INDOI, in accordance with IC 27-1-23-4(b)(4).

#### *Inter-Company Cost Sharing Agreement*

The Company was party to an Inter-Company Cost Sharing Agreement with AFBF and AFBIS, effective January 1, 2008. This agreement was amended November 11, 2011 and again on November 5, 2018. The agreement was updated on January 29, 2020. Under the terms of this agreement the parties agree to share the use of certain management and office services, property, equipment, and facilities owned or leased by each of them at various locations. In 2023, the Company paid AFBF \$228 thousand for shared expenses, while AFBF paid the Company \$0. Additionally, the Company collected \$1.25 million from AFBIS for its share of expenses.

#### *Managing General Agent Agreement*

The Company entered into a Managing General Agent Agreement with AFBIS, effective July 7, 2022. The agreement outlines the provision of insurance services by AFBIS to the Company for MPCl, crop hail, dairy revenue protection, and livestock insurance policies. In exchange for these services the Company pays AFBIS fees. In 2023, the Company paid AFBIS \$5.13 million for MPCl-related services \$464 thousand for crop hail-related services, and \$500 thousand for dairy revenue protection/livestock services.

### **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 The Travelers Casualty and Surety Company of America. The fidelity bond has an aggregate limit of \$4 million with a single loss limit of \$2 million and a single loss deductible of \$50,000. This bond is adequate to meet the minimum coverage suggested by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2023, including but not limited to management indemnity/directors' and officers' liability, professional indemnity liability, ERISA liability, employment practices liability, and workers' compensation liability.

### **TERRITORY AND PLAN OF OPERATION**

The Company is licensed to transact business in forty (40) states, the Commonwealth of Puerto Rico, and Canada. In addition, the Company is a qualified or accredited reinsurer in nine (9) states and the District of Columbia.

The Company is a reinsurer primarily assuming business from Farm Bureau insurance companies. The Farm Bureau insurance companies mainly write personal and farm related risks, but there is some commercial exposure that is growing as the Farm Bureau insurance companies expand their business. The Company also assumes crop/hail and MPCl through the broker market.

The Company has a growing book of direct crop/hail and MPCl contracts that are written through AFBIS. The Company also runs and participates in Dairy Revenue Protection, Farm Bureau crop/hail, and MPCl pools.

The Company's largest states, by total Direct Premium Written (DPW) at December 31, 2023, are Michigan (\$23.0M or 26.8%), Oklahoma (\$11.3M or 13.2%), North Carolina (\$10.5M or 12.2%), Virginia (\$8.4M or 9.8%), Iowa (\$6.9M or 8.1%), and Kentucky (\$4.8M or 5.6%). These states accounted for 75.7% of total writings in 2023.

## REINSURANCE

### Retroceded Reinsurance

The following significant corporate retrocessional contracts were in place as of December 31, 2023:

#### *Property Catastrophe Excess of Loss Reinsurance Contracts*

Effective January 1, 2023, the Company entered an Aggregate Property Catastrophe Excess of Loss Reinsurance Contract with various retrocessionaires. The contract limit is \$60 million in excess of an annual aggregate deductible of \$20 million.

Effective January 1, 2023, the Company entered into seven (7) Property Catastrophe Excess of Loss Contracts covering Reinstatement Premium Protection business assumed from the Farm Bureau insurance companies. The contracts provide protection of \$75 million excess of \$25 million, \$70 million in excess of \$30 million, and \$65 million in excess of \$35 million.

Effective June 1, 2023, the Company entered into five (5) Property Catastrophe Excess of Loss Reinsurance Contracts with various retrocessionaires. The contracts provide \$130 million of coverage in excess of \$45 million per occurrence for business within the US and Canada. There are two (2) contracts covering international business written, \$10.8 million part of \$15 million in excess of \$15 million per occurrence.

#### *Property Per Risk Excess of Loss Retrocession Contract*

Effective April 1, 2023, the Company entered into a Property Per Risk Excess of Loss Retrocession Contract. This contract covered property reinsurance assumed from the Farm Bureau insurance companies. The first layer provided coverage of \$6 million for each risk in excess of \$4 million. The second layer provided coverage of \$10 million for each risk.

#### *Liability and Umbrella Excess of Loss Retrocession Agreement*

Effective April 1, 2023, the Company entered into a Liability and Umbrella Excess of Loss Retrocession Agreement, which reinsures liability and umbrella business assumed from the Farm Bureau insurance companies. This agreement provided \$26 million of coverage on any one (1) loss occurrence in excess of the Company's retention of \$4 million on any one (1) loss occurrence through four (4) layers.

#### *Workers Compensation Excess of Loss Retrocessional Agreement*

Effective April 1, 2023, the Company entered into a Workers Compensation Excess of Loss Retrocessional Agreement, which reinsures workers' compensation liability business assumed from the Farm Bureau insurance companies. This agreement provided \$27.5 million of coverage on any one (1) loss occurrence in excess of the Company's retention of \$2.5 million on any one (1) loss occurrence through three (3) layers.

#### *Other Retrocessional Contracts*

Effective January 1, 2023, the Company entered into a Quota Share Agreement protecting Pollution Liability written for Farm Bureau insurance companies. The contract has a cession percentage of 85%.

During 2023, the Company was covered under an Industry Loss Warranty Reinsurance Contract, whereby the Company would be indemnified for losses up to \$10 million for events related to terrorism. In addition, the Company purchased an Aggregate Property Catastrophe industry loss warranty covering various territories for with \$10 million of limit.

The Company also retroceded pooled business produced by its Columbus office effective January 1, 2023 as follows; 42.25% cession on International Broker Assumed Pool, 73.8% cession on Domestic Broker Assumed Catastrophe Pool, and 34.25% cession on Domestic Broker Assumed Per Risk Pool.

In addition to the treaty coverage discussed above, the Company also purchased facultative reinsurance for both property and casualty business.

#### Assumed Reinsurance

As of December 31, 2023, the Company reported assumed written premiums of \$1.896 billion on its Annual Statement Schedule F, Part 1. Approximately 77% of the Company's assumed premiums were produced under both property and casualty treaties with Farm Bureau insurance companies. The remaining 23% of the business was assumed from brokers, of which 62% was comprised of domestic business and 38% was derived from international sources on a non-admitted basis, and from Canada, where the Company is licensed for reinsurance.

The treaty coverage is provided in the form of both proportional and excess covers and includes the following types of contracts: property quota share, all lines quota share, property surplus share, property per risk excess, property and auto occurrence catastrophe, per occurrence excess casualty and umbrella, umbrella quota share, property catastrophe perils aggregates, property defined event aggregates, and all lines aggregates.

### 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, 2023. 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.

AMERICAN AGRICULTURAL INSURANCE COMPANY

Assets

As of December 31, 2023

(in 000s)

	Per Company *
Bonds	\$ 1,191,238
Stocks:	
Common stocks	135,275
Cash, cash equivalents and short-term investments	150,270
Derivatives	3,142
Other invested assets	893
Receivables for securities	61
Subtotals, cash and invested assets	1,480,878
Investment income due and accrued	7,296
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	171,730
Deferred premiums, agents' balances and installments booked but deferred and not yet due	37,356
Reinsurance:	
Amounts recoverable from reinsurers	125,436
Funds held by or deposited with reinsured companies	45,709
Other amounts receivable under reinsurance contracts	
Current federal and foreign income tax recoverable and interest thereon	2,105
Net deferred tax asset	3,050
Aggregate write-ins for other than invested assets	162
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,873,723
Totals	\$ 1,873,723

\*Balances include immaterial rounding differences.



AMERICAN AGRICULTURAL INSURANCE COMPANY  
Liabilities, Surplus and Other Funds  
As of December 31, 2023  
(in 000s)

	Per Company *
Losses	\$ 843,557
Reinsurance payable on paid losses and loss adjustment expenses	64,994
Loss adjustment expenses	12,888
Other expenses	3,066
Borrowed money and interest thereon	1,857
Unearned premiums	79,180
Dividends declared and unpaid:	648
Policyholders	-
Ceded reinsurance premiums payable	124,704
Funds held by company under reinsurance treaties	27,595
Provision for reinsurance	495
Aggregate write-ins for liabilities	2,362
Total liabilities excluding protected cell liabilities	1,161,346
Total liabilities	1,161,346
Common capital stock	31,881
Preferred capital stock	19,935
Surplus notes	49,516
Gross paid in and contributed surplus	13,385
Unassigned funds (surplus)	653,278
Less treasury stock	55,619
Surplus as regards policyholders	712,376
Totals	\$ 1,873,723

\*Balances include immaterial rounding differences.

AMERICAN AGRICULTURAL INSURANCE COMPANY  
Statement of Income  
For the Year Ended December 31, 2023  
(in 000s)

	Per Company *
<b>UNDERWRITING INCOME</b>	
Premiums earned	\$ 496,628
DEDUCTIONS	
Losses incurred	434,332
Loss adjustment expenses incurred	16,317
Other underwriting expenses incurred	68,290
Aggregate write-ins for underwriting deductions	-
Total underwriting deductions	518,939
Net underwriting gain (loss)	(22,311)
<b>INVESTMENT INCOME</b>	
Net investment income earned	34,642
Net realized capital gains (losses) less capital gains tax	(11,428)
Net investment gain (loss)	23,214
<b>OTHER INCOME</b>	
Net gain (loss) from agents' or premium balances charged off	
Finance and service charges not included in premiums	
Aggregate write-ins for miscellaneous income	(803)
Total other income	(803)
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	100
Dividends to policyholders	-
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	100
Federal and foreign income taxes incurred	924
Net income	\$ (824)

\*Balances include immaterial rounding differences.

AMERICAN AGRICULTURAL INSURANCE COMPANY  
Reconciliation of Capital and Surplus Account  
(in 000s)

	2023 *	2022	2021 *	2020 *	2019 *
Surplus as regards policyholders, December 31 prior year	\$ 691,176	\$ 671,589	\$ 639,247	\$ 619,919	\$ 580,253
Net income	(824)	38,554	50,963	52,757	46,170
Change in net unrealized capital gains or (losses) less capital gains tax	15,284	(17,319)	(10,163)	(9,255)	4,247
Change in net unrealized foreign exchange capital gain (loss)	2,050	(1,106)	235	1,221	2,365
Change in net deferred income tax	247	417	(547)	675	(330)
Change in nonadmitted assets	(890)	248	409	(2,201)	154
Change in provision for reinsurance	(404)	62	(127)	2	-
Change in surplus notes			(8,556)	(10,695)	(8,555)
Capital changes:					
Paid in	-	-	(3,444)	(4,305)	(3,445)
Dividends to stockholders	(1,296)	(1,296)	(1,520)	(1,799)	(2,023)
Aggregate write-ins for gains and losses in surplus	7,034	27	5,091	(7,071)	1,085
Change in surplus as regards policyholders for the year	21,201	19,587	32,341	19,328	39,667
Surplus as regards policyholders, December 31 current year	<u>\$ 712,376</u>	<u>\$ 691,176</u>	<u>\$ 671,589</u>	<u>\$ 639,247</u>	<u>\$ 619,919</u>

\*Balances include immaterial rounding differences.

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

There were no recommended adjustments to the financial statements as of December 31, 2023, based on the results of this examination.

### **OTHER SIGNIFICANT ISSUES**

No significant issues were addressed as of December 31, 2023, 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., and actuarial assistance from Robert Daniel, ACAS, MAAA, and Austin Joost, ACAS, performed an examination of American Agricultural 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.

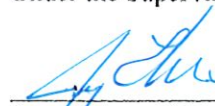
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing 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 the condition of the American Agricultural Insurance Company as of December 31, 2023, as determined by the undersigned.



Aaron Phillips, CFE, CISA  
The Thomas Consulting Group, Inc.

Under the Supervision of:




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

State of: Indiana  
County of: Marion

On this 6th day of June, 2025, before me personally appeared, Aaron Phillips 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

Indiana Department of Insurance  
NAIC Accredited

DARCY L. SHAWVER  
NOTARY PUBLIC  
**SEAL**  
MARION COUNTY, STATE OF INDIANA  
MY COMMISSION EXPIRES OCTOBER 4, 2025  
COMMISSION NO 708053

American Agricultural Insurance Company  
Financial Examination as of 12/31/2023

