

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

IN THE MATTER OF: )  
 )  
**Farmers Mutual Insurance Company of Noble County** )  
**119 North Main Street** )  
**Avilla, Indiana 46710-5200** )

Examination of: **Farmers Mutual Insurance Company of Noble County**


**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 Farmers Mutual Insurance Company of Noble County, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on February 10, 2025, 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 Farmers Mutual Insurance Company of Noble County 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.

April 1, 2025  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 6925**

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

IN THE MATTER OF:                                                         )  
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**Farmers Mutual Insurance Company of Noble County**     )  
**119 North Main Street**                                                         )  
**Avilla, Indiana 46710-5200**                                                         )

Examination of: **Farmers Mutual Insurance Company of Noble County**

### **FINDINGS AND FINAL ORDER**

The Indiana Department of Insurance conducted an examination into the affairs of the Farmers Mutual Insurance Company of Noble County (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 July 30, 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 February 10, 2025 and was received by the Company on March 3, 2025.

The Company did not file any objections.

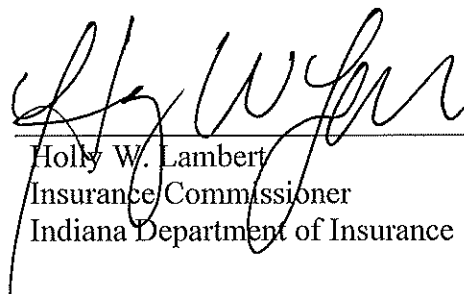
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Farmers Mutual Insurance Company of Noble County as of December 31, 2022.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Farmers Mutual Insurance Company of Noble County 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 1<sup>st</sup> day of  
April, 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.

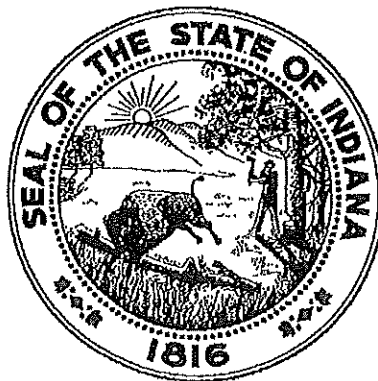
Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

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

**FARMERS MUTUAL INSURANCE COMPANY**  
**OF NOBLE COUNTY**  
NAIC Co. CODE 92297

As of

December 31, 2022



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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/idoi](http://in.gov/idoi)

August 30, 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 4174, an examination has been made of the affairs and financial condition of:

**Farmers Mutual Insurance Company of Noble County**  
**119 North Main Street**  
**Avilla, Indiana 46710-5200**

Farmers Mutual Insurance Company of Noble County (the Company) is an Indiana domiciled, extended 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  
317-232-2989

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 Insurance Company of Noble County (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 1892 as Farmers Mutual Fire Insurance Company of Noble County. The Company operates under Indiana Code (IC) 27-5.1, which applies to farm mutual insurance companies, including extended farm mutual companies.

The purpose of the Company, as stipulated within its Articles of Incorporation and Bylaws, is to insure its members and to distribute on the mutual insurance plan such losses as may occur in spite of reasonable precautions.

## SURPLUS

As of December 31, 2022, the Company had surplus of \$1,206,672 and 1,745 policies, the policyholders of which are the owners of the Company.

## TERRITORY AND PLAN OF OPERATION

The Company provides insurance coverage for personal dwellings, farm out buildings and liability. The Company conducts business in the Indiana counties of Adams, Allen, Blackford, Brown, Cass, DeKalb, Delaware, Elkhart, Fulton, Grant, Hamilton, Huntington, Jackson, Jay, Kosciusko, LaGrange, Lawrence, Madison, Marshall, Miami, Monroe, Noble, Owen, St. Joseph, Shelby, Steuben, Vanderburgh, Vigo, Wabash, 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	\$ 1,414,156	\$ 207,484	\$ 1,206,672
2021	1,690,541	239,935	1,450,606
2020	1,662,697	288,254	1,374,443
2019	1,461,847	239,211	1,222,636
2018	1,571,221	233,241	1,337,980

## MANAGEMENT AND CONTROL

### Directors

The corporate powers of the Company are vested in a Board of Directors (Board) comprised of no more than seven (7) directors. Indiana Code requires a minimum of five (5) directors. As of December 31, 2022, the Company had seven (7) elected directors. Each director serves for a term of three (3) years, and the director terms are arranged so that an equal number may be elected at each annual meeting of the members. The following is a listing of persons serving as directors as of December 31, 2022:

Name	City
Larry Biggerstaff	Kendallville, Indiana
Sam Buckles	Cromwell, Indiana
Rex Fischer	Avilla, Indiana
Ben Helmkamp	Avilla, Indiana
Martin Huelsenbeck	Kendallville, Indiana
William Ley	Avilla, Indiana
Shawn Troyer	Albion, Indiana

### Officers

The officers of this Company are a President, a Vice President, Secretary, and Treasurer. Officers are elected at the annual meeting of the board of directors and serve for a term of one (1) year. The following is a listing of the persons serving as officers of the Company as of December 31, 2022:

Name	Office
William Ley	President
Sam Buckles	Vice President
Ben Helmkamp	Secretary
Larry Biggerstaff	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

The Company amended its Articles of Incorporation to reflect the change to an extended farm mutual. The Department approved the changes on October 8, 2018. No other amendments were made to the Articles of Incorporation during the examination period.

#### Bylaws

The Company amended its Bylaws to reflect the change to an extended farm mutual. The Department approved the changes on October 8, 2018. No other amendments were made 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 CUMIS Insurance Society, Inc.. 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, 2022, including but not limited to professional liability, directors and officers liability, cyber liability, and identity fraud expense reimbursement.

## 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 through Guy Carpenter. The reinsurance program includes five (5) treaties, all effective January 1, 2022, which are described below:

- *Property per Risk Excess of Loss Reinsurance Contract* — All risks are reinsured for up to \$215,000 in excess of the Company's retention of \$35,000, subject to the limit of liability of \$537,500 for each loss occurrence.
- *Aggregate Excess of Loss Reinsurance Contract* — Coverage includes 100% of 770% of gross net written premium income in excess of 57.5% of gross net written premium income.
- *Property Facultative Excess of Loss Reinsurance Contract* — Cessions to this contract shall be limited to a maximum cession of 500,000 with a minimum retention of \$250,000.
- *Liability Quota Share Reinsurance Contract* — Coverage includes 100% of all liability business subject to a maximum cession of \$1,000,000 per occurrence, including any amounts due for Extra Contractual Obligations and Loss in Excess of Policy Limits. Reinsurer will also pay the reinsurers' quota share of Loss Adjustment Expense.
- *Umbrella Facultative Reinsurance Contract* — Coverage includes 95% to a limit of \$1,000,000.

## 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 INSURANCE COMPANY OF NOBLE COUNTY  
Assets, Liabilities and Surplus  
As of December 31, 2022

	Per Annual Statement	Examination Adjustments*	Per Examination
<b>ASSETS</b>			
Stocks	\$ 525,442	\$ -	\$ 525,442
Bank balances	860,393	(50,000)	810,393
Cash surrender value of annuity contract	-	50,000	50,000
Real estate	16,119	-	16,119
Unpaid premiums	6,262	-	6,262
Accrued interest	2,454	-	2,454
Federal income tax recoverable	2,584	-	2,584
State income tax refund receivable	902	-	902
Total Assets	<u>\$ 1,414,156</u>	<u>\$ -</u>	<u>\$ 1,414,156</u>
<b>LIABILITIES AND SURPLUS</b>			
Liabilities			
Unpaid claims	\$ 256,000	\$ -	\$ 256,000
Less, reinsurance recoverable	(218,344)	-	(218,344)
Net unpaid claims	37,656	-	37,656
Amounts withheld for the account of others	2,668	-	2,668
Other unpaid expenses	10	-	10
Premiums received in advance	39,859	-	39,859
Unearned premium reserve	127,291	-	127,291
Total Liabilities	<u>207,484</u>	<u>-</u>	<u>207,484</u>
Surplus	1,206,672	-	1,206,672
Total Liabilities and Surplus	<u>\$ 1,414,156</u>	<u>\$ -</u>	<u>\$ 1,414,156</u>

\* The Company overstated its bank balances and understated its cash surrender value of annuity contract. There was no impact to surplus. See the Comments on the Financial Statements section of this Report of Examination.

FARMERS MUTUAL INSURANCE COMPANY OF NOBLE COUNTY  
Income Statement and Change in Surplus  
For the year ended December 31, 2022

	Per Annual Statement	Examination Adjustments*	Per Examination
<b>INCOME</b>			
Net premiums:			
Direct premiums written	\$ 1,408,605	\$ -	\$ 1,408,605
Less: Reinsurance premiums ceded	(483,696)	-	(483,696)
Total net premiums written	924,909	-	924,909
Income from investments	25,023	-	25,023
Other income	6,804	-	6,804
Total income	956,736	-	956,736
<b>DISBURSEMENTS</b>			
Net losses paid:			
Direct losses	704,834	-	704,834
Less: Reinsurance recovered	(145,539)	-	(145,539)
Net losses paid	559,295	-	559,295
Operating expenses	566,912	-	566,912
Non-operating expenses	14,469	-	14,469
Total disbursements	1,140,676	-	1,140,676
<b>CHANGE IN SURPLUS</b>			
Net income	(183,940)	-	(183,940)
Change in accrued assets and liabilities	35,404	-	35,404
Change in unrealized gains (losses)	(95,398)	-	(95,398)
Surplus, beginning of period	1,450,606	-	1,450,606
Surplus, end of period	\$ 1,206,672	\$ -	\$ 1,206,672

\* The Company overstated its bank balances and understated its cash surrender value of annuity contract. There was no impact to surplus. See the Comments on the Financial Statements section of this Report of Examination.

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

The Company overstated its bank balances by \$50,000 and understated its cash surrender value of annuity contract by the same amount as of December 31, 2022. There was no impact to surplus.

### **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 Insurance Company of Noble County, as of December 31, 2022.

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

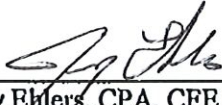
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination by the Indiana Department of Insurance. Such procedures performed on this examination do not constitute an audit made in accordance 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 Insurance Company of Noble County 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 31st day of March, 2025, before me personally appeared, Angela L. Ohlmann 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

SHAWVER  
NOTARY PUBLIC  
SEAL  
COUNTY, STATE OF INDIANA  
COMMISSION EXPIRES OCTOBER 4, 2025  
COMMISSION NO. 2056050

