

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

IN THE MATTER OF:)
)
Hoosier Motor Mutual Insurance Company)
9200 Keystone Crossing, Suite 500)
Indianapolis, Indiana 46240-2587)

Examination of: **Hoosier Motor Mutual Insurance Company**


NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Amy L. Beard, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Hoosier Motor Mutual Insurance Company, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as amended by the Final Order, 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 Hoosier Motor 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.

June 29, 2023
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7019 0700 0000 3590 2768

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

IN THE MATTER OF:)
)
Hoosier Motor Mutual Insurance Company)
9200 Keystone Crossing, Suite 500)
Indianapolis, Indiana 46240-2587)

Examination of: **Hoosier Motor Mutual Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Hoosier Motor Mutual Insurance Company (hereinafter “Company”) for the time period January 1, 2017 through December 31, 2021.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 23, 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 June 5, 2023 and was received by the Company on June 5, 2023.

On June 8, 2023, 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, 2021.
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 20th day of
June, 2023.



Amy L. Beard
Insurance Commissioner

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

HOOSIER MOTOR MUTUAL INSURANCE COMPANY
NAIC COMPANY CODE 27952

As of

December 31, 2021

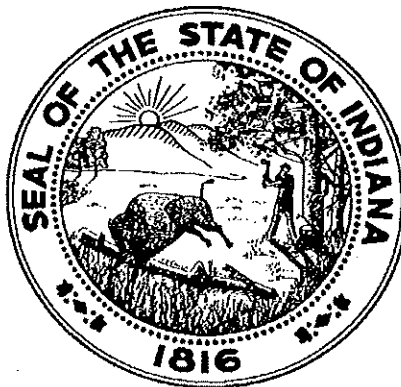


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STATE OF INDIANA

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 23, 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 4120, an examination has been made of the affairs and financial condition of:

Hoosier Motor Mutual Insurance Company
9200 Keystone Crossing, Suite 500
Indianapolis, Indiana 46240-2587

an Indiana domestic property and casualty insurer hereinafter referred to as the "Company." The examination was conducted remotely with assistance from the main administrative offices of the Company located at 9200 Keystone Crossing, Suite 500, Indianapolis, Indiana 46240-2587.

The Report of Examination, showing the status of the Company as of December 31, 2021, 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 | 317-232-2402 | 317-232-5692 | 1-800-452-4800 |

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) as of December 31, 2021. The present risk-focused examination was conducted by The Thomas Consulting Group, Inc. (Thomas Consulting) and covered the period from January 1, 2017 through December 31, 2021, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

In conducting the risk-focused examination, the INDOI, by its representatives, relied upon the independent audit reports and opinions contained therein rendered by Sherck, Hussey, Johnson & McNaughton, LLC for the years 2017 to 2020 of the examination period and Katz, Sapper & Miller, LLP for the year ending December 31, 2021. Such reports were prepared on a statutory basis and reconciled to the financial statements contained in the respective Annual Statements.

In accordance with the 2021 NAIC *Financial Condition Examiners Handbook*, Thomas Consulting planned and performed the risk-focused examination to evaluate the financial condition of the Company and to identify prospective risks related to its operations. The examination process included an evaluation of corporate governance, identification and assessment of inherent risks and documentation of system controls and procedures used to mitigate the identified risks. In addition, Thomas Consulting performed an assessment of the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The examination also included a review of the Company's compliance with Statutory Accounting Principles, Annual Statement Instructions, and the Indiana Insurance Code (IC). All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

HISTORY

The Company was incorporated on May 3, 1972 as a mutual fire and casualty insurance company. A certificate of authority, granting the Company authority to conduct business, was received from the INDOI on December 27, 1972. The Company commenced operations on December 29, 1972.

CAPITAL AND SURPLUS

As of December 31, 2021, the Company's total surplus was \$13,749,141, which included required special surplus of \$300,000, and unassigned funds (surplus) of \$13,449,141. As a mutual insurer, the Company has no capital stock. The Company is owned by its sole policyholder, Hoosier Motor Club (HMC).

DIVIDENDS TO POLICYHOLDERS

The Company paid the following dividends to its policyholder during the period covered by this examination:

| <u>Year</u> | <u>Dividends</u> |
|-------------|--------------------|
| 2021 | \$ - |
| 2020 | - |
| 2019 | 1,000,000 |
| 2018 | 1,000,000 |
| 2017 | <u>1,000,000</u> |
| Total | <u>\$3,000,000</u> |

TERRITORY AND PLAN OF OPERATION

The Company is licensed solely in the State of Indiana and was formed for the purpose of providing insurance coverage, as described within IC 27-1-5-1, Class II, to members of HMC, an Indiana, not-for-profit corporation, as well as persons related by birth, marriage or otherwise. The Company's operating territory is comprised of fifty (50) counties within Indiana. Members of HMC receive a limited benefit Personal Accident Policy (PAP) in conjunction with their enrollment in HMC. An optional Medical Expense Endorsement is available, which will pay the actual cost of many of the medical benefits described within the PAP, in addition to the other procedures not otherwise included, up to \$500 for any one (1) accident. Members are also entitled to purchase optional coverage under the Company's Member Accident Security Plan (MASP), which provides an initial \$10,000 death benefit (increasing to a maximum of \$15,000) and a \$100 per day hospital confinement benefit. An optional MASP rider, which provides a \$5,000 accidental death benefit and a \$50 per day hospital confinement benefit, is also available. Under the insurance plans, the named insured is HMC, while its members are deemed certificate holders.

GROWTH OF THE COMPANY

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

| <u>Year</u> | <u>Admitted Assets</u> | <u>Liabilities</u> | <u>Surplus</u> | <u>Net Premium Income</u> | <u>Net Income (Loss)</u> |
|-------------|------------------------|--------------------|----------------|---------------------------|--------------------------|
| 2021 | \$14,148,401 | \$399,260 | \$13,749,141 | \$579,543 | \$ 895,402 |
| 2020 | 13,255,932 | 963,484 | 12,292,448 | 571,332 | 1,568,921 |
| 2019 | 10,735,925 | 468,784 | 10,267,140 | 651,959 | (263,906) |
| 2018 | 10,450,343 | 411,158 | 10,039,186 | 650,219 | (370,904) |
| 2017 | 11,374,468 | 623,211 | 10,751,258 | 642,129 | (30,728) |

Note: Amounts are shown in whole dollars and rows may not total due to rounding.

The Company reported a net underwriting gain in all years covered by the examination. The net losses reported in 2019, 2018 and 2017 are attributed to the payment of policyholder dividends.

MANAGEMENT AND CONTROL

Members

The Company's Bylaws stipulate that there shall be one (1) class of members (policyholders) of the Company and all members of the Company shall have the same and equal rights, privileges, duties, and liabilities. The members of the Company shall consist of those persons who hold policies of insurance issued by the Company.

Directors

The Company's Bylaws specify that the business and affairs of the Company shall be managed by a Board of Directors (Board). Each director shall be an active member of HMC, so long as the Company provides insurance exclusively for the benefit of members of HMC. The Board shall consist of a minimum of seven (7) members and a maximum of ten (10) members who shall be elected by the members of the Company at their annual meeting. The following is a listing of persons serving as directors as of December 31, 2021:

| <u>Name and Residence</u> | <u>Principal Business Affiliation</u> |
|--|--|
| John F. Ackerman Indianapolis, Indiana | Managing Director Cardinal Equity Partners |
| Justin P. Christian Zionsville, Indiana | President and Chief Executive Officer BCforward |
| Wilbur R. Davis Muncie, Indiana | President Noble Why, LLC |
| John C. Hart, Jr. Westfield, Indiana | President J.C. Hart Company, Inc. |
| Kirk A. Hendrix Carmel, Indiana | President and Chief Executive Officer Hoosier Motor Club Companies |
| Rebecca C. Polak Indianapolis, Indiana | Chief Commercial Officer and General Counsel Carlutz Group, Inc. |
| Marsha A. Stone Avon, Indiana | Senior Director Commerce Enterprise Indianapolis Airport Authority |
| Steven F. Walker Indianapolis, Indiana | Chairman and Chief Executive Officer Walker Information, Inc. |
| Nichole C. Wilson Indianapolis, Indiana | Vice President Community Health Operations for IU Health |

Officers

The Company's Bylaws state that the officers of the Company shall consist of a Chairman, a Vice Chairman, a President and Chief Executive Officer, a Senior Vice President Finance, a Secretary, a Treasurer, and such assistant or subordinate officers as the Board shall deem necessary. Any two (2) or more offices may be held by the same person, except the duties of the President and Secretary shall not be performed by the same person. The following is a list of key officers and their respective titles as of December 31, 2021:

| <u>Name</u> | <u>Title</u> |
|------------------|---|
| Steven F. Walker | Chairman |
| Wilbur R. Davis | Vice Chairman |
| Kirk A. Hendrix | President and Chief Executive Officer |
| Brian L. Davis | Senior Vice President Finance, Chief Financial Officer, Secretary, and Treasurer |
| Steven M. Goins | Senior Vice President, Insurance |

Corporate Governance

As of December 31, 2021, members serving on the committees of the Board were as follows:

Audit Committee:

Wilbur R. Davis
John C. Hart, Jr.
Marsha A. Stone
Steven F. Walker

Investment Committee:

John F. Ackerman
Wilbur R. Davis
John C. Hart, Jr.
Marsha A. Stone

The Company also receives oversight from its other committees that were comprised of Planning and Budget, Compensation, Governance, Nominating, and Real Estate. The Chairman, Steven F. Walker, is an ex-officio member of each committee.

CONFLICT OF INTEREST

The Company has in place an established conflict of interest policy and procedures for the disclosure of any material interest or affiliation by any director, officer, or key employee, which is likely to conflict with their official duties. From a review of the signed statements, there were no material conflicts of interest reported by any of the directors and officers.

OATH OF OFFICE

IC 27-1-7-10(i) requires 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 corporation and will not knowingly violate any of the laws applicable to such corporation. Each director serving as of December 31, 2021 signed an Oath of Office statement when elected.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Company's Articles of Incorporation during the period under examination.

Bylaws

There were no amendments made to the Company's Bylaws during the period under examination.

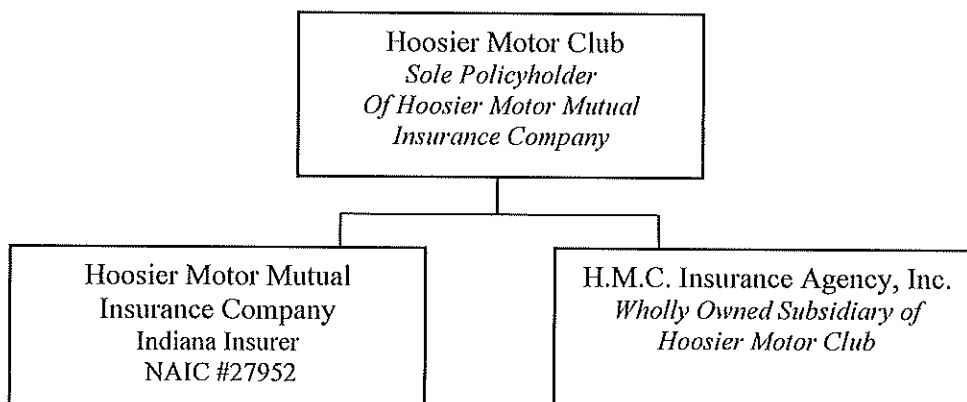
Minutes

The Board and Members Meeting minutes were reviewed for the period under examination through the fieldwork completion date and significant actions taken during each meeting were noted. For the period under examination, the Annual Meetings of the Directors and the Annual Meetings of the Members were held in accordance with the provisions of the Company's Bylaws.

AFFILIATED COMPANIES

Organizational Structure

The Company is a member of an insurance holding company system as defined within IC 27-1-23 and Regulation of Insurance Holding Company Systems. An Insurance Holding Company System Registration Statement was filed annually with the INDOI for each year of the examination period. The following organizational chart depicts the Company's relationship within the holding company system:



Affiliated Agreements

The following significant affiliated agreements were disclosed as part of the 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).

Management Agreement

Effective January 1, 2001, HMC and the Company entered into a Management Agreement whereby HMC agrees to provide its members with claim forms filing assistance of those forms, and claims valuation services, as well as secretarial and clerical services required to service the group policy and any endorsements issued to its members. Under the terms of the Management Agreement, the Company pays HMC \$.36 for each PAP certificate, medical endorsement, MASP certificate, and additional coverage rider issued or renewed. During 2021, the Company paid \$150,288 to HMC under this agreement.

Agency Agreement

Effective October 1, 2013, H.M.C. Insurance Agency, Inc. (Agency) and the Company entered into an Agency Agreement. The Agency is the producer for MASP and MASP rider coverage to the members of HMC. Under the Agency Agreement, the Company agrees to pay Agency 25% of the premiums collected to sell or act as agent of record for MASP certificates. During 2021, the Company paid Agency \$3,046 under this agreement.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by its employees through a fidelity bond. The Company's fidelity bond provides a single loss limit of \$150,000 in coverage after the payment of a deductible of \$1,500. The fidelity bond was determined to meet the prescribed minimum coverage as specified by the NAIC. Other various interests of the Company were protected by appropriate policies of insurance.

STATUTORY AND SPECIAL DEPOSITS

The Company reported a statutory deposit, which was comprised of a U.S. Treasury Note and held by the INDOI, for the benefit of all policyholders. The deposit had a book value of \$99,154 and a fair value of \$108,101.

REINSURANCE

The Company was not party to any assumed or ceded reinsurance contracts.

RESERVES

Marc A. Lambright, FSA, MAAA, of Oliver Wyman Actuarial Consulting, Inc., is the Company's Appointed Actuary. Mr. Lambright was appointed by the Board to render an actuarial opinion on the statutory-basis reserves of the Company for all of the years covered by this examination.

The scope of the opinion was to examine the actuarial assumptions and methods used in determining reserves and related actuarial items, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 2021. In forming the opinion, information prepared by the Company was relied upon. This information was evaluated for reasonableness and consistency. In other respects, the examination included such review of the actuarial assumptions and methods used and such tests of the calculations as considered necessary.

The 2021 opinion stated the amounts carried in the balance sheet on account of the actuarial items identified in the opinion; (a) are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles, (b) are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared, (c) meet the requirements of the Insurance Laws and regulations of the State of Indiana; and are at least as great as the minimum aggregate amounts required by any state, (d) make good and sufficient provision for all unpaid claims and other actuarial liabilities of the Company under the terms of its contracts and arrangements, (e) are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the Annual Statement of the proceeding year-end, and (f) include appropriate provision for all actuarial items that ought to be established.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The detail trial balance prepared from the Company's general ledger for the year ending December 31, 2021, was agreed to the Annual Statement without exception. The Company's independent auditors issued unqualified opinions on the Company's audited Statutory Financial Statements for each year during the examination period. The audited Statutory Financial Statements were agreed to the Annual Statement for the year ending December 31, 2021, with no exceptions noted. All of the independent audit work papers were made available to Thomas Consulting during the examination.

Overall, Thomas Consulting determined the Company's accounting procedures, practices, and records were satisfactory.

FINANCIAL EXHIBITS

Comparative Exhibit – Statutory Statement of Assets
Comparative Exhibit – Statutory Statement of Liabilities, Capital and Surplus
Comparative Exhibit - Statutory Statement of Revenue and Expenses
Comparative Exhibit – Statutory Capital and Surplus Account

NOTE: Amounts are shown in whole dollars and columns may not total due to rounding.

HOOSIER MOTOR MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Assets

As of December 31, 2021

| | Per Annual Statement | Examination Adjustments | Per Examination | December 31, Prior Year |
|--|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| Bonds | \$ 6,489,190 | \$ - | \$ 6,489,190 | \$ 4,983,852 |
| Common stocks | 6,280,725 | - | 6,280,725 | 6,862,928 |
| Cash, cash equivalents, and short-term investments | <u>1,274,077</u> | <u>-</u> | <u>1,274,077</u> | <u>1,313,752</u> |
| Subtotals, cash and invested assets | <u>\$ 14,043,993</u> | <u>\$ -</u> | <u>\$ 14,043,993</u> | <u>\$ 13,160,532</u> |
| Investment income due and accrued | \$ 45,729 | \$ - | \$ 45,729 | \$ 38,427 |
| Uncollected premiums and agents' balances in the course of collection | <u>58,679</u> | <u>-</u> | <u>58,679</u> | <u>56,972</u> |
| Totals | <u>\$ 14,148,401</u> | <u>\$ -</u> | <u>\$ 14,148,401</u> | <u>\$ 13,255,932</u> |

HOOSIER MOTOR MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Liabilities, Capital and Surplus

As of December 31, 2021

| | Per Annual Statement | Examination Adjustments | Per Examination | December 31, Prior Year |
|---|---------------------------------|------------------------------------|-----------------------------|--|
| Claims unpaid | \$ 20,756 | \$ - | \$ 20,756 | \$ 20,320 |
| Unpaid claims adjustment expenses | 6,870 | - | 6,870 | 3,751 |
| Aggregate health policy reserves | 254,700 | - | 254,700 | 251,214 |
| General expenses due or accrued | 11,454 | - | 11,454 | 20,456 |
| Net deferred tax liability | 84,870 | - | 84,870 | 260,744 |
| Amounts due to parent, subsidiaries and affiliates | 20,610 | - | 20,610 | - |
| Payable for securities | - | - | - | 406,998 |
| Total liabilities | <u>\$ 399,260</u> | <u>\$ -</u> | <u>\$ 399,260</u> | <u>\$ 963,484</u> |
| Aggregate write-ins for special surplus funds | \$ 300,000 | \$ - | \$ 300,000 | \$ 300,000 |
| Unassigned funds (surplus) | 13,449,141 | - | 13,449,141 | 11,992,448 |
| Total capital and surplus | <u>\$ 13,749,141</u> | <u>\$ -</u> | <u>\$ 13,749,141</u> | <u>\$ 12,292,448</u> |
| Totals | <u>\$ 14,148,401</u> | <u>\$ -</u> | <u>\$ 14,148,401</u> | <u>\$ 13,255,932</u> |

HOOSIER MOTOR MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Statement of Revenue and Expenses

For the Year Ending December 31, 2021

| | Per Annual Statement | Examination Adjustments | Per Examination | December 31, Prior Year |
|--|-------------------------|----------------------------|--------------------|----------------------------|
| Member months | 4,880,446 | - | 4,880,446 | 5,115,999 |
| Net premium income | \$ 579,543 | \$ - | \$ 579,543 | \$ 571,332 |
| Change in unearned premium reserves | (3,486) | - | (3,486) | 37,636 |
| Total revenues | \$ 576,057 | \$ - | \$ 576,057 | \$ 608,968 |
| Hospital and Medical: | | | | |
| Hospital/medical benefits | \$ 1,136 | \$ - | \$ 1,136 | \$ 950 |
| Non-health claims (net) | - | - | - | 100 |
| Claims adjustment expenses | 37,572 | - | 37,572 | 36,853 |
| General administrative expenses | 281,531 | - | 281,531 | 272,529 |
| Total underwriting deductions | \$ 320,239 | \$ - | \$ 320,239 | \$ 310,433 |
| Net underwriting gain | \$ 255,817 | \$ - | \$ 255,817 | \$ 298,535 |
| Investment Income | | | | |
| Net investment income earned | \$ 183,233 | \$ - | \$ 183,233 | \$ 249,823 |
| Net realized capital gains | \$ 456,352 | \$ - | \$ 456,352 | \$ 1,020,563 |
| Net investment gains | \$ 639,585 | \$ - | \$ 639,585 | \$ 1,270,386 |
| Net income or (loss) after capital gains tax and before all other federal income taxes | \$ 895,402 | \$ - | \$ 895,402 | \$ 1,568,921 |
| Federal and foreign income taxes incurred | \$ - | \$ - | \$ - | \$ - |
| Net income | \$ 895,402 | \$ - | \$ 895,402 | \$ 1,568,921 |

HOOSIER MOTOR MUTUAL INSURANCE COMPANY

FINANCIAL STATEMENTS

Capital and Surplus Account

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Capital and surplus prior reporting year | <u>\$12,292,448</u> | <u>\$10,267,140</u> | <u>\$10,039,186</u> | <u>\$10,751,258</u> | <u>\$10,688,014</u> |
| Net income or (loss) | \$ 895,402 | \$ 1,568,921 | \$ (263,906) | \$ (370,904) | \$ (30,728) |
| Change in net unrealized capital gains or (losses) | 306,047 | 491,890 | 478,348 | (366,117) | 134,975 |
| Change in net deferred income tax | 257,227 | (96,881) | 11,041 | 10,323 | (30,518) |
| Change in nonadmitted assets | <u>(1,983)</u> | <u>61,378</u> | <u>2,470</u> | <u>14,625</u> | <u>(10,485)</u> |
| Net change in capital and surplus | <u>\$ 1,456,693</u> | <u>\$ 2,025,308</u> | <u>\$ 227,954</u> | <u>\$ (712,072)</u> | <u>\$ 63,244</u> |
| Capital and surplus end of reporting year | <u>\$13,749,141</u> | <u>\$12,292,448</u> | <u>\$10,267,140</u> | <u>\$10,039,186</u> | <u>\$10,751,258</u> |

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to surplus as of December 31, 2021, based on the results of this examination.

OTHER SIGNIFICANT FINDINGS

There were no significant findings noted as a result 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.

MANAGEMENT REPRESENTATION

In support of contingencies and accuracy of information provided during the course of the examination, Thomas Consulting obtained a management representation letter in the standard NAIC format. This letter was executed by key financial personnel of the Company and provided to Thomas Consulting.

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 The Thomas Consulting Group, Inc., performed an examination of the **Hoosier Motor Mutual Insurance Company** as of **December 31, 2021**.

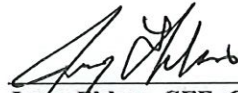
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

The examination was performed in accordance with those procedures required by the 2021 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 standard 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 the **Hoosier Motor Mutual Insurance Company** as of **December 31, 2021**, as determined by the undersigned.



D. Patrick Huth, CFE
The Thomas Consulting Group, Inc.

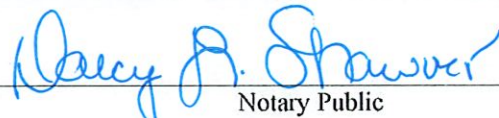


Jerry Ehlers, CFE, CPA
Indiana Department of Insurance

State of: Indiana
County of: Marion

On this 12th day of June, 2023, before me personally appeared, D. Patrick Huth 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

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

