

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

IN THE MATTER OF:)

Indiana Truckers Exchange)
9223 Broadway, Suite A)
Merrillville, IN 46410)

Examination of: **Indiana Truckers Exchange**

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 Indiana Truckers Exchange, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 23, 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 Indiana Truckers Exchange, 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.

Date 6/30/2025 Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 7311

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 30th 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
INDIANA TRUCKERS EXCHANGE
NAIC Co. CODE 29777

As of
December 31, 2023

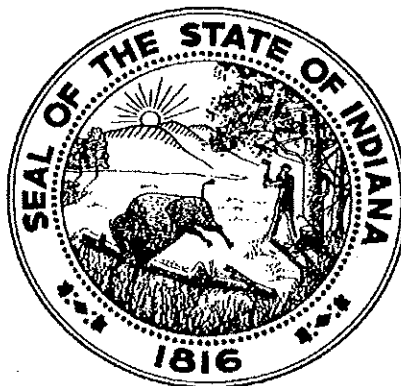


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STATE OF INDIANA

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

June 4, 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 4200, an examination has been made of the affairs and financial condition of:

**Indiana Truckers Exchange
9223 Broadway, Suite A
Merrillville, IN 46410**

hereinafter referred to as the "Exchange", an Indiana domestic reciprocal inter-insurance exchange. The examination was conducted remotely with assistance from the corporate office staff in Merrillville, Indiana.

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
317-232-2389

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

The Exchange 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 examination was conducted by The Thomas Consulting Group, Inc. (Thomas Consulting) 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.

Due to the Exchange's inactive status, this examination was not conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook) and is not a risk-focused examination. No reliance was placed on audited financial statements and no actuary was utilized in performing the review of reserves. Furthermore, the Exchange's corporate records were not reviewed. For the purpose of this report the names of the Board of Directors (Board) and officers were obtained from the Jurat page of the 2023 Annual Statement. The financial statements were compiled from the information available in the Annual Statements filed by the Exchange with the INDOI.

HISTORY

On July 8, 1987, the Exchange was formally chartered as an Indiana domiciled reciprocal to write primary physical damage coverage. The Exchange was an affiliate of American Inter-Fidelity Exchange (AIFE) and was formed after AIFE was reformed from an Indiana domiciled reciprocal to a risk retention group. The Exchange served as a vehicle whereby property coverage could be offered to AIFE's subscribers.

On March 23, 1994, AIFE was directed into rehabilitation by the INDOI, at which time AIFE reverted back to a reciprocal insurer. Although the Exchange was never insolvent, it was also brought into rehabilitation because it was a guarantor of AIFE's obligations. The INDOI issued an order terminating rehabilitation effective March 2, 2002. With the permission of the INDOI, the surplus of the Exchange was pledged to AIFE and the Exchange is carried on AIFE's books as a wholly-owned asset.

In the fourth quarter of 2007, the last outstanding claim for the Exchange was settled and is now being maintained as a shell company.

CAPITAL AND SURPLUS

The Exchange has been inactive since 1994. Per the Annual Statements filed by the Exchange with the INDOI, it maintains the required capital and surplus pursuant to the requirements of Indiana Code (IC) 27-6-6-6. Per the 2023 Annual Statements, the Exchange's total capital and surplus was \$2 million, which included aggregate write-ins for other than special surplus funds (accumulated equity distributions) of (\$2.4 million), gross paid-in and contributed surplus of \$815,641, and unassigned funds (surplus) of \$3.6 million.

MANAGEMENT AND CONTROL

The Exchange's corporate records were not reviewed for the period covered by this examination, and as such, the names of the directors and officers were obtained from the Jurat page of the Exchange's 2023 Annual Statement. The additional information below was obtained from the 2018 Report of Examination.

Directors

<u>Name and Location</u>	<u>Principal Occupation</u>
Harold E. Antonson Valparaiso, Indiana	Chief Financial Officer US 1 Industries, Inc.
Gage M. Blue Mount Pleasant, South Carolina	General Manager Carolina National Transportation, Inc.
Michael E. Kibler Sapphire, North Carolina	Retired
Rick A. Penney Sarasota, Florida	Independent Insurance Agent Exceter Insurance, Inc.
Robert I. Scissors* Chesterfield, Missouri	Retired
Lex L. Venditti Crown Point, Indiana	President American Inter-Fidelity Corporation

*Deceased, October 2024

Officers

<u>Name</u>	<u>Office</u>
Lex L. Venditti	President and Treasurer
Harold E. Antonson	Secretary

CONFLICT OF INTEREST

Due to the inactive status of the Exchange, the signed Conflict of Interest statements were not reviewed for the period covered by this exam.

OATH OF OFFICE

Due to the inactive status of the Exchange, subscribed statements of oath by the directors were not reviewed for the period covered by this exam.

CORPORATE RECORDS

Due to the inactive status of the Exchange, no examination procedures were performed under this caption.

AFFILIATED COMPANIES

Organizational Structure

Per Schedule Y, Part 1- Organizational Chart of the Exchange's 2023 Annual Statement, the Exchange's relationship with the other affiliated companies within the group were as follows:

	NAIC CO. Code	Domiciliary State/County
American Inter-Fidelity Corporation Attorney-in-Fact		IN
American Inter-Fidelity Exchange	40088	IN
Indiana Truckers Exchange	10921	IN
US 1 Industries, Inc.		IN

FIDELITY BOND AND OTHER INSURANCE

Due to the inactive status of the Exchange, no examination procedures were performed under this caption.

TERRITORY AND PLAN OF OPERATION

Per Schedule T – Exhibit of Premiums Written of the Exchange's 2023 Annual Statement, the Exchange is licensed to transact business within the state of Indiana.

REINSURANCE

Ceded Reinsurance

Due to the inactive status of the Exchange, it does not cede reinsurance.

Assumed Reinsurance

Due to the inactive status of the Exchange, it does not assume reinsurance.

FINANCIAL STATEMENTS

Due to the inactive status of the Exchange, the following financial statements are based on the statutory financial statements filed by the Exchange with the INDOI and present the Exchange's financial condition for the period ending December 31, 2023, as stated by the Exchange. As no audit procedures were performed, no audit opinion is expressed on the financial statements contained in this report.

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

INDIANA TRUCKERS EXCHANGE

Assets

As of December 31, 2023

	<u>Per Company</u>
Stocks:	
Common stocks	\$ 1,784,559
Cash, cash equivalents and short-term investments	<u>376,735</u>
Subtotals, cash and invested assets	2,161,294
Investment income due and accrued	1,869
Current federal and foreign income tax recoverable and interest thereon	14,138
Aggregate write-ins for other than invested assets	<u>2,699</u>
Totals	<u>\$ 2,180,000</u>

INDIANA TRUCKERS EXCHANGE
Liabilities, Surplus and Other Funds
As of December 31, 2023

	Per Company
Taxes, licenses and fees	\$ (4,444)
Payable to parent, subsidiaries and affiliates	146,602
Total liabilities excluding protected cell liabilities	<u>142,158</u>
Total liabilities	<u>142,158</u>
Aggregate write-ins for other than special surplus funds	(2,421,525)
Gross paid in and contributed surplus	815,641
Unassigned funds (surplus)	<u>3,643,726</u>
Surplus as regards policyholders	<u>2,037,842</u>
Totals	<u><u>\$ 2,180,000</u></u>

INDIANA TRUCKERS EXCHANGE
Statement of Income
For the Year Ended December 31, 2023

	<u>Per Company</u>
UNDERWRITING INCOME	
Premiums earned	\$ -
DEDUCTIONS	
Other underwriting deductions	8,699
Total underwriting deductions	<u>8,699</u>
Net underwriting gain (loss)	(8,699)
INVESTMENT INCOME	
Net investment income earned	74,148
Net realized capital gains (losses) less capital gains tax	<u>287</u>
Net investment gain (loss)	74,435
OTHER INCOME	
Total other income	<u>0</u>
Net income, before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	<u>65,736</u>
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	65,736
Federal and foreign income taxes incurred	<u>7,936</u>
Net income	<u>\$ 57,800</u>

INDIANA TRUCKERS EXCHANGE
Reconciliation of Capital and Surplus Account

	2023	2022	2021	2020	2019
Surplus as regards policyholders, December 31 prior year	\$ 1,829,516	\$ 2,116,252	\$ 1,905,550	\$ 1,743,630	\$ 1,486,385
Net income	57,800	72,295	149,455	65,025	40,860
Change in net unrealized capital gains or (losses) less capital gains tax	150,525	(359,030)	61,246	96,895	216,385
Change in surplus as regards policyholders for the year	208,325	(286,735)	210,701	161,920	257,245
Surplus as regards policyholders, December 31 current year	<u>\$ 2,037,842</u>	<u>\$ 1,829,516</u>	<u>\$ 2,116,252</u>	<u>\$ 1,905,550</u>	<u>\$ 1,743,630</u>

COMMENTS ON THE FINANCIAL STATEMENTS

No audit procedures were performed, therefore no audit opinion is expressed on the financial statements contained in this report.

OTHER SIGNIFICANT ISSUES

No audit procedures were performed, therefore no opinion is expressed for other significant issues.

SUBSEQUENT EVENTS

Per Note 22 to Notes to Financial Statements of the 2023 Annual Statement, management stated, "The Company is not aware of any events occurring subsequent to the close of the books or accounts for this statement which may have a material effect on the financial condition of the Company."

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., performed a compilation of the financial statement of Indiana Truckers Exchange, as of December 31, 2023.

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

The compilation of this report was not performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for examination. Such compilation of information does 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 Indiana Truckers Exchange as of December 31, 2023, as determined by the undersigned.



David L. Daulton, CFE
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 19th day of June, 2025, before me personally appeared, David L. Daulton 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 Darcy L. Shawver
Notary Public

DARCY L. SHAWVER
NOTARY PUBLIC

SEAL
MARION COUNTY, STATE OF INDIANA
MY COMMISSION EXPIRES OCTOBER 4, 2025
COMMISSION NO 708083

