

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

IN THE MATTER OF:)
)
MMA Insurance Company)
1110 North Main Street, PO Box 483)
Goshen, Indiana 46527)

Examination of MMA Insurance Company

NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of **MMA 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 **MMA 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.

December 13, 2010

Date



Cynthia D. Donovan
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7005 3110 0002 4443 7588

STATE OF INDIANA)
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MMA Insurance Company)
1110 North Main Street, PO Box 483)
Goshen, Indiana 46527)

Examination of MMA Insurance Company

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the **MMA Insurance Company** (hereinafter "Company") for the time period January 1, 2005 through December 31, 2009.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on September 15, 2010.

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 November 1, 2010 and was received by the Company on November 4, 2010.

On December 1, 2010 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, 2009.
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 and Sealed this 13th day of
December, 2010.



Stephen W. Robertson
Insurance Commissioner

STATE OF INDIANA

Department of Insurance

REPORT OF EXAMINATION

OF

MMA INSURANCE COMPANY

NAIC COMPANY CODE 74209

As of

December 31, 2009

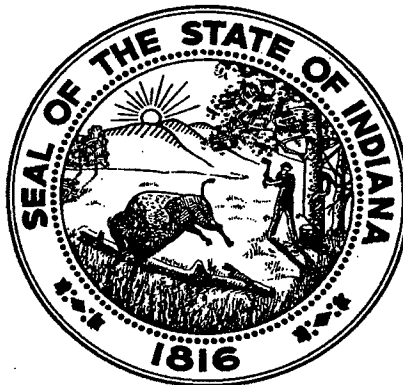


TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION	2
HISTORY.....	2
CAPITAL AND SURPLUS	2
DIVIDENDS TO STOCKHOLDERS	3
TERRITORY AND PLAN OF OPERATION	3
GROWTH OF THE COMPANY	3
LOSS EXPERIENCE.....	4
MANAGEMENT AND CONTROL.....	4
Directors	4
Officers.....	5
Corporate Governance.....	5
CONFLICT OF INTEREST.....	6
OATH OF OFFICE	6
CORPORATE RECORDS.....	6
Articles of Incorporation and Bylaws.....	6
Minutes.....	6
AFFILIATED COMPANIES	6
Organizational Structure.....	6
Affiliated Agreements	7
Organizational Chart	8
FIDELITY BOND AND OTHER INSURANCE	9
STATUTORY AND SPECIAL DEPOSITS	9
REINSURANCE	9
Reinsurance Assumed	9
Reinsurance Ceded	9
RESERVES	10
ACCOUNTS AND RECORDS	11
FINANCIAL STATEMENTS.....	12
Assets.....	12
Liabilities, Surplus and Other Funds	13
Summary of Operations.....	14
Capital and Surplus Account.....	15
COMMENTS ON THE FINANCIAL STATEMENTS.....	16
OTHER SIGNIFICANT FINDINGS	16
SUBSEQUENT EVENTS.....	16
MANAGEMENT REPRESENTATION	16
AFFIDAVIT	17



STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

IDOI

INDIANA DEPARTMENT OF INSURANCE

311 W. WASHINGTON STREET, SUITE 300

INDIANAPOLIS, INDIANA 46204-2787

TELEPHONE: (317) 232-2385

FAX: (317) 232-5251

Stephen W. Robertson, Commissioner

September 16, 2010

Honorable Alfred W. Gross, Chairman
Financial Condition (E) Committee, NAIC
Commissioner of Insurance
Virginia Bureau of Insurance
1300 East Main Street
Richmond, Virginia 23218

Honorable Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioners:

Pursuant to the authority vested in Appointment Number 3638, an examination has been made of the affairs and financial condition of:

MMA Insurance Company
1110 North Main Street
Goshen, IN 46528

hereinafter referred to as the "Company" or "MIC", an Indiana domestic, stock, life and annuity insurance company. The examination was conducted at the corporate offices of the Company in Goshen, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2009, is hereby respectfully submitted.

ACCREDITED BY THE
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
(317) 232-2413

COMPANY COMPLIANCE
(317) 233-0697

CONSUMER SERVICES
(317) 232-2395
In-State 1-800-622-4461

EXAMINATIONS / FINANCIAL SERVICES
(317) 232-2390

MEDICAL MALPRACTICE
(317) 232-2402

SECURITIES / COMPANY RECORDS
(317) 232-1991

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (IDOI) as of the period ending December 31, 2004. The present risk-focused examination covered the period from January 1, 2005, through December 31, 2009, and was conducted by Huff, Thomas & Company (HuffThomas) 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 IDOI, by its representatives, relied upon the independent audit reports and opinions contained therein rendered by BKD LLP for each year of the examination period. Such reports were prepared on a statutory basis and reconciled to the financial statements contained in the respective Annual Statements.

Jeffrey Beckley, FSA, MAAA, of Actuarial Options, LLC, a consulting actuary appointed by the IDOI, conducted a review of the Company's Aggregate Reserves for Life and Accident & Health (A&H) Contracts and Contract Claims for Life and A&H as of December 31, 2009.

This risk-focused examination was conducted in accordance with procedures and guidelines prescribed by the National Association of Insurance Commissioners (NAIC) for the purpose of determining the Company's financial condition. Examination procedures included the verification and evaluation of assets, determination of liabilities and review of income and disbursement items, minutes, corporate documents, policy and claim files, and other records to the extent deemed necessary.

The comments and recommendations from the previous IDOI examination were reviewed. It was noted the Company has taken corrective action with respect to all prior recommendations.

HISTORY

MIC was incorporated February 4, 1987, as ShareNet Insurance, and commenced business on August 1, 1988, as a stock life insurance company. On December 5, 1992, the Company changed its name from ShareNet Insurance, Incorporated to MMA Insurance Company. The Company was formed to provide group life and accident and health insurance for persons not qualifying as members of its fraternal parent, Mennonite Mutual Aid Association (MMAA).

CAPITAL AND SURPLUS

As of December 31, 2009, MIC had 500,000 authorized shares of common stock. All shares of common stock were issued and outstanding. MIC's common stock has a par value of \$10 per share. MMA Holdings, Inc. owns 100% of MIC's common stock. The amount of issued common capital stock did not change during the period under examination. The Company has no preferred stock authorized, issued or outstanding.

Gross Paid-In and Contributed Surplus

During the period covered by this examination the Company received the following contributions to its gross paid-in and contributed surplus from its parent, MMAA.

<u>Year</u>	<u>Contributed Surplus</u>
2008	\$ 500,000
2007	500,000
2006	1,000,000
2005	1,000,000

DIVIDENDS TO STOCKHOLDERS

During the examination period the Company did not declare or pay dividends to its sole stockholder.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2009 the Company was licensed in the following sixteen (16) states.

Arizona	California	Colorado	Idaho	Illinois
Indiana	Iowa	Kansas	Maryland	Michigan
Nebraska	Ohio	Oregon	Pennsylvania	South Dakota
Virginia				

MIC primarily underwrites accident & health insurance (\$15.4 million direct premium) and individual annuities (\$2.1 million). These two lines of business comprised approximately 99% of the Company's direct written premiums as of December 31, 2009. MIC's products are predominantly group medical insurance products. The Company also offers group term life insurance, accidental death and disability, and weekly income disability. MIC's primary product is ShareNet Employer Plan (SNEP). SNEP is a small employer group major medical plan serviced by a third party administrator, Key Benefit Administrators of Indianapolis. The Company's products are marketed by regional offices across the United States and are sold through a network of field staff and independent agents.

GROWTH OF THE COMPANY

Comparative financial data, as reported in the Company's financial statements for the period under examination, was as follows:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital & Surplus</u>	<u>Premium Income</u>	<u>Net Income</u>
2009	\$ 27,329,103	\$ 13,810,505	\$ 13,518,598	\$ 16,558,309	\$ 109,069
2008	24,955,644	12,141,096	12,814,548	19,491,826	220,201
2007	21,923,179	9,806,840	12,116,339	18,747,587	(911,839)
2006	20,579,732	7,837,747	12,741,985	19,988,112	(92,430)
2005	18,569,548	6,625,368	11,944,180	21,001,020	351,420

The increase in Assets and Liabilities in 2009 was primarily attributable to the growth in the Company's annuities. The Company's net income, net unrealized capital gains and change in non-admitted assets were the largest contributing factors to the increase in MMA's 2009 surplus. The decrease in premium income during 2009 was mostly the result of a decline in the Company's health insurance business.

LOSS EXPERIENCE

The loss experience of the Company's accident and health business for the period under examination is presented in the following schedule:

<u>Year</u>	<u>A&H Premiums Earned</u>	<u>Losses and Loss Expenses Incurred</u>	<u>Underwriting Expense Incurred</u>	<u>Loss and Loss Expense Ratio</u>	<u>Underwriting Ratio</u>
2009	\$ 14,425,441	\$ 13,303,572	\$ 3,482,971	92.22%	24.14%
2008	15,129,264	11,820,631	3,494,635	78.13%	23.10%
2007	17,999,951	14,372,299	4,978,848	79.85%	27.66%
2006	19,568,113	15,533,349	5,138,498	79.38%	26.26%
2005	20,543,601	16,098,969	5,021,621	78.36%	24.44%

The increase in the Company's Loss and Loss Expense ratio during 2009 was generally the result of the increasing upward trend in the cost of health care.

MANAGEMENT AND CONTROL

Directors

The Company's amended Bylaws specify the number of Directors of the Company shall be between five and fifteen members. The following is a listing of persons serving as Directors at December 31, 2009:

<u>Name and Residence</u>	<u>Principal Business Affiliation</u>
Larry Miller Goshen, IN	President MMAA and MIC

Jaime Alvarez Goshen, IN	Secretary MMAA and MIC
Mel Claassen Goshen, IN	Treasurer MMAA and MIC
Rod D. Diller Goshen, IN	Vice President MMAA and MIC
David Gautsche Goshen, IN	Assistant Vice President MMAA and MIC

Officers

The Bylaws state the officers of the Company, who shall be elected by the Board of Directors, shall consist of a President, Vice President, Secretary, and Treasurer, and such other officers as the Board of Directors may decide upon. The Company's daily operations were primarily managed by the following key senior officers and their respective titles as of December 31, 2009.

<u>Name</u>	<u>Office</u>
Larry D. Miller	President
Jaime Alvarez	Secretary
Melvin Claassen	Treasurer
Rod D. Diller	Vice President
David Gautsche	Assistant Vice President
Sidney A. Richard	Assistant Vice President
Marlo J. Kauffman	Assistant Secretary
Philip R. Zimmerman	Assistant Secretary
Delmar King	Assistant Treasurer
George F. Merryman	Assistant Treasurer

Corporate Governance

It was determined that the Board reviews financial statements and approves all significant Company business including investment transactions. In addition to the Board's involvement with managing the Company, the Mennonite Mutual Aid (MMA) Audit Committee also provides oversight to certain financial areas of the Company's operations. The MMA Audit Committee functioned under the provisions of a charter which establishes the committee's responsibilities which included engagement of external auditors, handling of Whistleblower Policy complaints, and approval of security, real estate and derivative transactions. From a review of the MMA Audit Committee minutes, it was determined the committee was operating in accordance with the provisions of its charter. It was also determined that the MMA Audit Committee was appropriately staffed with financially literate and independent Directors.

Based on a review of the information contained in each of the Directors and Executive Officer's

biographical affidavits and through management interviews, it was determined that these individuals are adequately qualified and have the experience necessary to conduct the operations and affairs of the Company.

Overall, the Company's corporate governance structure was determined to be effective. Policies and strategies as designed and implemented by the Board and management are effectively communicated throughout the Company. In addition, it was determined the Board and key executives set an appropriate "tone at the top" with a clear commitment to set ethical behavior throughout the Company.

CONFLICT OF INTEREST

Directors, officers and certain employees are required to annually complete a questionnaire which discloses conflicts of interest. It was determined that all Directors and officers serving during the examination period completed the required conflict of interest questionnaire. No exceptions were noted.

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 corporation and will not knowingly violate any of the laws applicable to such corporation. It was noted during the examination the Board members did subscribe to an Oath of Office.

CORPORATE RECORDS

Articles of Incorporation and Bylaws

No amendments were made to the Company's Articles of Incorporation or Bylaws during the period under examination.

Minutes

The Board of Directors meeting minutes were reviewed for the period under examination through the fieldwork date and significant actions taken during each meeting were noted. It was noted that the annual meetings and other regular board meetings were held in accordance with the Company's Bylaws.

AFFILIATED COMPANIES

Organizational Structure

The Holding Company Registration statement filed with the IDOI identifies MMAA as the ultimate controlling entity. MMAA is controlled by its benefit members through the election of a Board of Directors by MMAA's benefit members.

On January 1, 2009, MMAA activated MMA Holdings, Inc., a wholly-owned non-insurance holding company. In exchange for stock of MMA Holdings, MMAA contributed the stock of its two subsidiaries, MIC and MMA Trust Company. MMAA also contributed its interest in MMA ComSource LLC (now MMA Distribution, Inc.), a non-admitted asset to MMA Holdings. In addition, MMAA contributed cash to MMA Holdings, enabling it to purchase the financial assets of Mennonite Mutual Aid, Inc., an affiliated company and the remaining interest in MMA ComSource held by others. An organization entity chart is included below.

Affiliated Agreements

As of December 31, 2009, the Company operated under the following intercompany agreements which have been filed with the IDOI:

Employment Servicing & Facilities Sharing Agreement

On January 1, 2009, MIC along with other members of the MMA Stewardship group entered into an agreement with affiliate MMA InSource, LLC (Agent). Under this agreement Agent provides employment services and general office services, supplies and equipment at a rate of actual costs plus a margin of up to 5%.

Administrative Services Agreement

On January 1, 2009, MIC entered into an agreement with affiliates; MMA Medical Expense Plan and MMA InSource, LLC, FlexChoice Plan (the Plans). This agreement provides for MIC to administer the health plans for the Plans.

Office Lease Agreement

On January 1, 2009, MIC along with several other members of the MMA Stewardship group (Lessee) entered into an agreement with Mennonite Church Buildings, Inc. (Lessor), an affiliate. Under this agreement the Lessor leases office space to the Lessee. The lease amount is calculated annually in advance by multiplying total annual expenses of the premises by the percent of leased premises occupied by the individual Lessee.

Compensation Servicing Agreements

MIC entered into an agreement with its affiliate, MMA Distribution, Inc. (MMAD), formerly operating as MMA ComSource, LLC, effective January 1, 2009. Under this agreement MMAD provides a sales and distribution system consisting of duly licensed agents, producers and counselors for the purposes of producing insurance sales and advisory services on behalf of the Company.

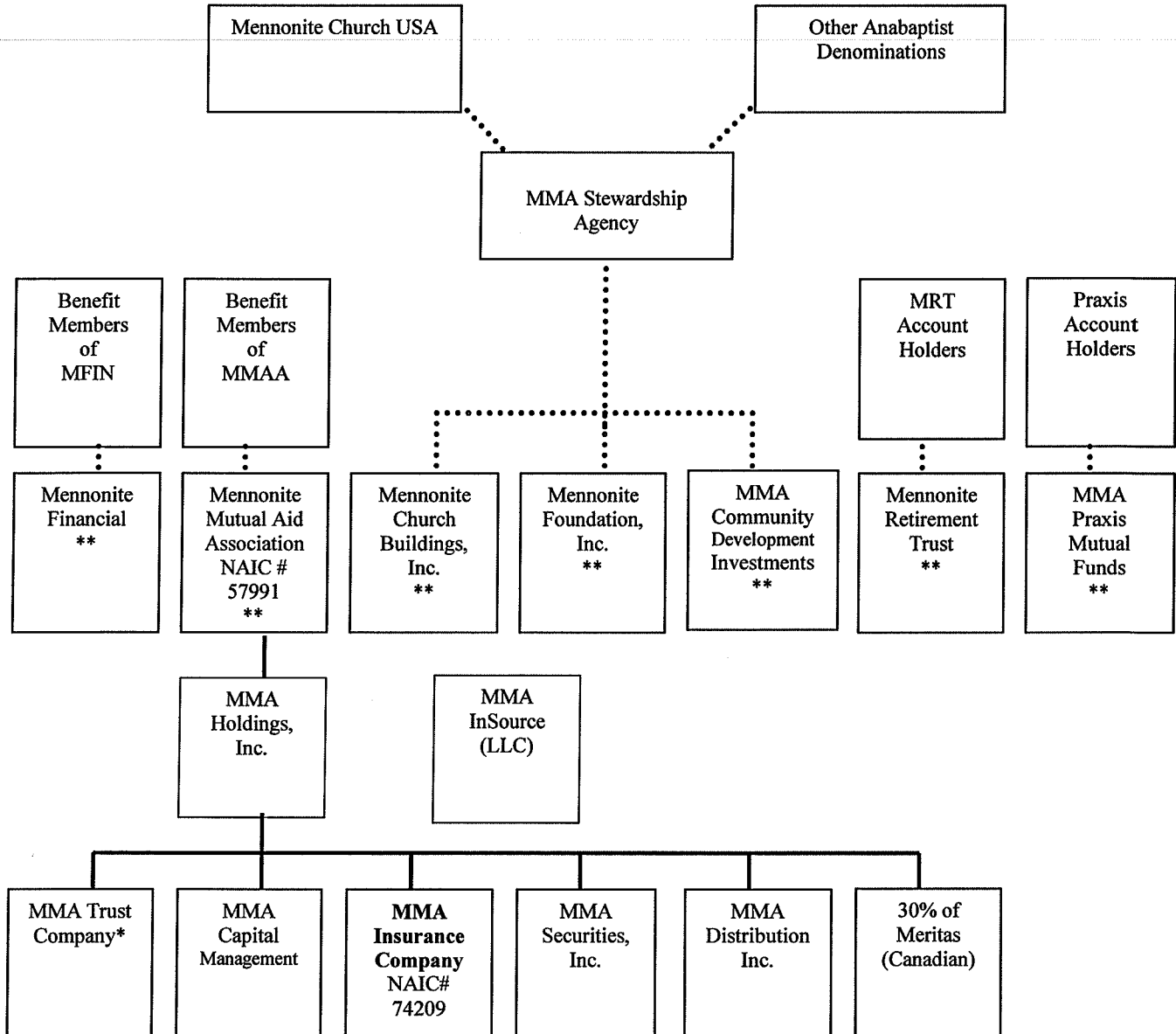
Tax Sharing Agreement

A Tax Sharing Agreement between MMA Holdings, Inc. (Parent) and several subsidiaries, including MIC, was signed on January 1, 2009, whereby the Parent and subsidiaries agree to join in filing a consolidated federal income tax return.

Intercompany reinsurance agreements are included under the reinsurance section of this report.

Organizational Chart

The following organization chart shows the Company's relationship to other MMA entities:



Dotted line – Authority established through accountability of its members

Solid line – Authority established through common stock ownership

*MMA Trust Company was acquired by MMA Holdings, Inc., effective January 1, 2010.

** Entity is tax-exempt.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond. The Company is insured for losses up to \$2,000,000 with a \$50,000 deductible. The fidelity bond coverage limit was adequate to meet the prescribed minimum coverage specified by the NAIC.

Other significant insurance coverages in force at December 31, 2009, included Commercial General Liability, Commercial Umbrella Liability, Employment Practices Liability, Medical Professional Liability, and Directors & Officers Liability. All other coverages were determined to be adequate as of December 31, 2009.

STATUTORY AND SPECIAL DEPOSITS

The Company reported the following special deposits as of December 31, 2009:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For all Policyholders:		
Indiana	\$1,565,665	\$1,659,809
All Other Special Deposits:		
Arizona	244,696	252,291
Virginia	330,009	337,288
Total Deposits	<u>\$ 2,140,370</u>	<u>\$ 2,249,388</u>

REINSURANCE

Reinsurance Assumed

The Company did not assume reinsurance during the period covered by this examination.

Reinsurance Ceded

As of December 31, 2009, the Company ceded a portion of its A&H business under the following reinsurance agreements:

During the period covered by this examination, the Company ceded group and Association Group major medical insurance under an intercompany Medical Reinsurance Agreement with MMAA (reinsurer). Under the terms of the Medical Reinsurance Agreement the Company ceded covered business in excess of \$200,000 per person on an 80% coinsurance basis up to \$450,000 total claims per person. Above this amount, the Company ceded additional claims on a 10% coinsurance basis up to a \$2,000,000 per person maximum. During 2009 MIC ceded \$791,994 of premium to the MMAA under this agreement. This agreement was terminated on December 31, 2009.

Effective January 1, 2009, the Company entered into an Individual Excess Medical Reinsurance Agreement with ReliaStar Life Insurance Company. Under the terms of this agreement the Company ceded losses in excess of its \$450,000 retention per person for individual major medical insurance through three layers of coverage. There is a 90% coinsurance provision on claims up to \$2,000,000 per covered person. Claims in excess of \$2,000,000 per person are reinsured 100% up to a maximum of \$5,000,000 per person. The Company ceded \$10,264 of premiums under this agreement during 2009.

Effective January 1, 2009, the Company entered into a Group Excess Medical Reinsurance Agreement with ReliaStar Life Insurance Company. Under the terms of this agreement the Company ceded losses in excess of its \$450,000 retention per person for group major medical insurance and employer stop loss insurance through three layers of coverage. There is a 90% coinsurance provision on claims up to \$2,000,000 per covered person. Claims in excess of \$2,000,000 per person are reinsured 100% up to a maximum of \$5,000,000 per person. The Company ceded \$ 361,653 of premiums under this agreement during 2009.

RESERVES

Robert W. Guth, FSA, MAAA, is the Company's Appointed Actuary. Mr. Guth was appointed by the Board of Directors on August 23, 1999, to render an opinion on the statutory-basis loss reserves of the Company. Mr. Guth provided the Company's actuarial opinion for each year under examination.

The scope of the opinion was to examine the actuarial assumptions and methods used in determining reserves and related items, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials. 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 2009 opinion stated the balances of reserves 1) are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated, in accordance with sound actuarial principles 2) are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions 3) meet the requirements of the insurance law and regulations of the state of Indiana and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed 4) are computed on the basis of assumptions consistent with those used in computing the corresponding items in the Annual Statement of the preceding year-end and 5) include provision for all actuarial reserves and related statement items which ought to be established.

During the examination, it was determined by the IDOI consulting actuary, Jeff Beckley, FSA, MAAA, of Actuarial Options, LLC, the significant actuarial items in the Company's 2009 Annual Statement are materially correct and fairly stated in accordance with statutory accounting practices prescribed or permitted by the IDOI.

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 balance prepared from the Company's general ledger for the year ended December 31, 2009 was agreed to the 2009 Annual Statement without exception. The Annual Statement for the years ended December 31, 2005, through December 31, 2008, were agreed to each year's independent audit report with no exceptions noted. The Examiners determined the Company's accounting procedures, practices, and account records were satisfactory.

MMA INSURANCE COMPANY

FINANCIAL STATEMENTS

Assets

	As of December 31, 2009			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Assets:				
Bonds	\$ 21,411,625	\$ -	\$ 21,411,625	\$ 20,732,358
Preferred stocks	69,660	-	69,660	69,660
Mortgage loans	699,389	-	699,389	752,940
Cash \$1,506,483, cash equivalents \$0 and short-term investments \$2,149,326	3,655,809	-	3,655,809	2,638,171
Subtotals, cash and invested assets	25,836,483	-	25,836,483	24,193,130
Investment income due and accrued	264,250	-	264,250	235,759
Uncollected premiums and agents' balances in the course of collection	60,236	-	60,236	16,991
Amounts recoverable from reinsurers	90,768	-	90,768	186,284
Other amounts receivable under reinsurance contracts	266,124	-	266,124	99,909
Current federal and foreign income tax recoverable and interest thereon	338,856	-	338,856	-
Net deferred tax asset	100,796	-	100,796	103,178
Receivables from parent, subsidiaries and affiliates	218,961	-	218,961	20,046
Health care and other amounts receivable	102,175	-	102,175	88,405
Aggregate write-ins for other than invested assets	50,453	-	50,453	11,940
Total Assets	\$ 27,329,103	\$ -	\$ 27,329,103	\$ 24,955,644

MMA INSURANCE COMPANY

FINANCIAL STATEMENTS

Liabilities, Surplus and Other Funds

	As of December 31, 2009			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Liabilities:				
Aggregate reserve for life contracts	\$ 8,435,657	\$ -	\$ 8,435,657	\$ 6,302,836
Aggregate reserve for accident & health contracts	843,014	-	843,014	1,988,279
Contract Claims:				
Life	14,700	-	14,700	5,100
Accident and health	2,921,707	-	2,921,707	1,937,275
Premiums and annuity considerations for life and accident and health contracts received in advance	428,953	-	428,953	491,111
Contract liabilities not included elsewhere:				
Provision for experience rating refunds	57,324	-	57,324	42,891
Other amounts payable on reinsurance	109,313	-	109,313	134,352
General expenses due and accrued	336,837	-	336,837	259,477
Taxes, licenses, and fees due or accrued	42,541	-	42,541	136,376
Current federal income taxes	-	-	-	121,440
Amounts withheld or retained by the company as agent or trustee	258,511	-	258,511	100,435
Remittances and items not allocated	300,604	-	300,604	82,176
Asset valuation reserve	31,091	-	31,091	116,397
Payable to parent, subsidiaries and affiliates	30,253	-	30,253	317,405
Payable for securities	-	-	-	105,548
Total Liabilities	\$ 13,810,505	\$ -	\$ 13,810,505	\$ 12,141,096
Common capital stock	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,000,000
Gross paid in & contributed surplus	11,452,829	-	11,452,829	11,452,829
Unassigned funds (surplus)	(2,934,232)	-	(2,934,232)	(3,638,282)
Surplus	8,518,597	-	8,518,597	7,814,547
Capital and surplus, December 31, current year	\$ 13,518,597	\$ -	\$ 13,518,597	\$ 12,814,547
Total liabilities, capital and surplus	\$ 27,329,102	\$ -	\$ 27,329,102	\$ 24,955,644

MMA INSURANCE COMPANY

FINANCIAL STATEMENTS

Summary of Operations

As of December 31, 2009

	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
Premiums and annuity considerations for life and accident and health contracts	\$ 16,558,309	\$ -	\$ 16,558,309	\$ 19,491,826
Net investment income	1,265,293	-	1,265,293	1,094,449
Amortization of interest maintenance reserve	(3,770)	-	(3,770)	(6,614)
Aggregate write-ins for miscellaneous income	438,924	-	438,924	312,487
Total	\$ 18,258,755	\$ -	\$ 18,258,756	\$ 20,892,148
Death benefits	\$ 19,800	\$ -	\$ 19,800	\$ (300)
Annuity benefits	171,869	-	171,869	276,612
Disability benefits and benefits under A&H contracts	12,265,528	-	12,265,528	10,771,550
Increase in aggregate reserves for life and A&H contracts	987,556	-	987,556	4,375,751
Totals	\$ 13,444,753	\$ -	\$ 13,444,753	\$ 15,423,613
Commissions on premiums, annuity considerations, and deposit type contract funds	1,172,212	-	1,172,212	1,413,722
General insurance expenses	3,355,274	-	3,355,274	3,077,896
Insurance taxes, licenses and fees, excluding federal income taxes	219,807	-	219,807	239,973
Totals	\$ 18,192,046	\$ -	\$ 18,192,046	\$ 20,155,204
Net gain from operations before dividends to policyholders and federal income taxes	\$ 66,709	\$ -	\$ 66,709	\$ 736,943
Dividends to policyholders	-	-	-	-
Net gain from operations after dividends to policyholders and before federal and foreign income taxes incurred	\$ 66,709	\$ -	\$ 66,709	\$ 736,943
Federal and foreign income taxes incurred	(247,914)	-	(247,914)	273,326
Net gain from operations after dividends to policyholders and federal income taxes and before realized gains or (losses)	\$ 314,623	\$ -	\$ 314,623	\$ 463,617
Net realized capital gains (losses) less capital gains tax	(205,554)	-	(205,554)	(243,416)
Net income	\$ 109,069	\$ -	\$ 109,069	\$ 220,201

MMA INSURANCE COMPANY

FINANCIAL STATEMENTS

Capital and Surplus Account

	As of December 31, 2009			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Capital and Surplus Account:				
Capital and surplus, December 31, prior year	\$ 12,814,547	\$ -	\$ 12,814,547	\$ 12,116,338
Net income	\$ 109,069	\$ -	\$ 109,069	\$ 220,201
Change in net unrealized capital gains (losses)	100,832	-	100,832	(69,915)
Change in net deferred income tax	2,382	-	2,382	22,287
Change in nonadmitted assets	520,160	-	520,160	(115,709)
Change in asset valuation reserve	85,306	-	85,306	141,345
Surplus adjustment:				
Paid-in	-	-	-	500,000
Transfer from capital	(113,698)	-	(113,698)	-
Net change in capital and surplus for the year	\$ 704,051	\$ -	\$ 704,051	\$ 698,209
Capital and surplus, December 31, current year	\$ 13,518,597	\$ -	\$ 13,518,597	\$ 12,814,547

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to surplus as of December 31, 2009, based on the results of this examination.

OTHER SIGNIFICANT FINDINGS

There were no significant findings made as a result of this examination. In addition, the Company has complied with the comments made in the prior report of examination.

SUBSEQUENT EVENTS

Subsequent to the examination date and prior to the completion of fieldwork, the Company received approval from the IDOI to change its name to **Everence Insurance Company**. The name change was effective as of August 5, 2010.

MANAGEMENT REPRESENTATION

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


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 Huff, Thomas & Company, hereinafter collectively referred to as the "Examiners" performed an examination of the **MMA Insurance Company** as of **December 31, 2009**.

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 2010 NAIC Financial Condition Examiner's 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 **MMA Insurance Company** as of **December 31, 2009** as determined by the undersigned.

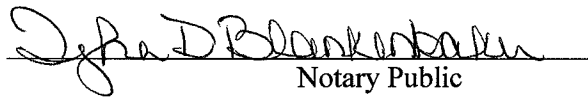

Patrick Huth, CFE
Huff, Thomas & Company

State of: Indiana
County of: Marion

On this 27 day of Sept., 2010, before me personally appeared, Patrick Huth, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notorial seal in said County and State, the day and year last above written.

My commission expires 03/25/15


Notary Public

