

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

IN THE MATTER OF: )  
 )  
Widner Mutual Fire Insurance Association )  
P.O. Box 27 )  
1 S Hwy 159 )  
Freelandville, Indiana 47535 )

Examination of: **Widner Mutual Fire Insurance Association**


**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 Widner Mutual Fire Insurance Association, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on November 18, 2021, 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 Widner Mutual Fire Insurance Association 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.

12/2/2021  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7018 1130 0001 7982 6321**

STATE OF INDIANA )  
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COUNTY OF MARION ) COMMISSIONER OF INSURANCE

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**P.O. Box 27** )  
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**Freelandville, Indiana 47535** )

Examination of: **Widner Mutual Fire Insurance Association**

### **FINDINGS AND FINAL ORDER**

The Indiana Department of Insurance conducted an examination into the affairs of the Widner Mutual Fire Insurance Association (hereinafter “Company”) for the time period January 1, 2015 through December 31, 2019.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 26, 2021.

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 18, 2021 and was received by the Company on November 23, 2021.

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 Widner Mutual Fire Insurance Association as of December 31, 2019.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Widner Mutual Fire Insurance Association 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 2 day of  
December, 2021.

  
Amy L. Beard  
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**

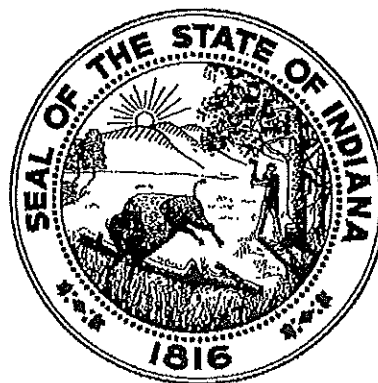
**OF**

**WIDNER MUTUAL FIRE INSURANCE ASSOCIATION**

NAIC Co. CODE 92279

As of

December 31, 2019



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

May 26, 2021

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 4074, an examination has been made of the affairs and financial condition of:

**Widner Mutual Fire Insurance Association**  
**P.O. Box 27**  
**1 S Hwy 159**  
**Freelandville, Indiana 47535**

Widner Mutual Fire Insurance Association (the Company) is an Indiana domiciled, 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, 2019, is 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 317-232-2402    COMPANY RECORDS 317-232-5692    STATE HEALTH INSURANCE PROGRAM 1-800-452-4800

## SCOPE OF EXAMINATION

Representatives of the Indiana Department of Insurance (the Department) last examined Widner Mutual Fire Insurance Association for the period ending December 31, 2014. Ingardus, LLC conducted the present risk-focused examination for the period from January 1, 2015 through December 31, 2019. 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 1883 and elected to operate under Chapter 145, Acts 1919, which was repealed by Acts 1972, P.L. 129-2003 and restated as Indiana Code (IC) 27-5.1, which applies to farm mutual insurance companies.

The purpose of the Company, as stipulated within its Constitution and Bylaws, is to safeguard its members, so far as possible against loss as permitted by the farm mutual law under which it operates and to distribute on the mutual insurance plan such losses as may occur from these hazards, in spite of all reasonable precautions.

## SURPLUS

As of December 31, 2019, the Company had surplus of \$3,742,538 and 353 policyholders, who are the owners of the Company.

## TERRITORY AND PLAN OF OPERATION

The Company provides insurance coverage for dwellings and content, grain, livestock, machinery and equipment, outbuildings, seed, and supplies coverage. The Company conducts business in the Indiana counties of Daviess, Gibson, Greene, Knox, Lawrence, Orange and Sullivan.



## GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Surplus
2019	\$ 3,904,607	\$ 162,069	\$ 3,742,538
2018	3,492,946	157,940	3,335,006
2017	3,481,551	156,560	3,324,991
2016	3,139,809	147,485	2,992,324
2015	2,942,420	140,427	2,801,993

## MANAGEMENT AND CONTROL

### Directors

The business of the Company is managed by a Board of Directors (Board) comprised of nine (9) directors. A majority of the Board constitutes a quorum for the transaction of business. 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, 2019:

Name	City
William Albrecht	Bicknell, Indiana
Bill Brocksmith	Oaktown, Indiana
Harley Hagemeyer	Westphalia, Indiana
Dennis Kahre	Edwardsport, Indiana
Bruce Pepmeier	Oaktown, Indiana
Terry Perkins	Oaktown, Indiana
Don Pieper	Bicknell, Indiana
Paul Schroeder	Westphalia, Indiana
John Telligman	Oaktown, Indiana

### Officers

The officers of this Company are a President, a Vice President, and a Secretary-Treasurer. The following is a listing of the persons serving as officers of the Company as of December 31, 2019:

Name	Office
William Albrecht	President
Bruce Pepmeier	Vice President
Cynthia Schuckman	Secretary-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, 2019.

## 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, 2019.

## CORPORATE RECORDS

### Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

### Bylaws

There were no amendments 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 CNA Surety. The bond has a policy aggregate limit of liability of \$75,000. 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, 2019, including but not limited to business liability, directors and officers liability, employers' liability, and professional liability.

### STATUTORY DEPOSITS

As a farm mutual insurer, the Company is not required to maintain a statutory deposit with the state of Indiana.

### REINSURANCE

During the examination period, the Company purchased reinsurance from Grinnell Mutual Reinsurance Company (Grinnell) as follows:

- *Individual Occurrence of Loss Excess* – The Company's retention was \$75,000 for 2019 and the coverage limit was 100% above the retention subject to limitations.
- *Aggregate Excess* – The Company's retention was \$122,000 for 2019 and the coverage limit was 100% of unlimited losses above the retention.

### 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, 2018 and 2019, agreed to the respective Annual Statements.

WIDNER MUTUAL FIRE INSURANCE ASSOCIATION  
 Assets, Liabilities and Surplus  
 As of December 31, 2019

	Per Annual Statement
<b>ASSETS</b>	
Bonds	\$ 651,248
Stocks	1,971,678
Bank balances:	
Subject to check	257,065
On interest	749,089
Collateral loans	259,500
Real estate	559
Cash in office	106
Unpaid premiums	3,792
Accrued interest	11,570
Total Assets	\$ 3,904,607
 <b>LIABILITIES AND SURPLUS</b>	
Liabilities	
Unpaid claims	\$ 38,000
Ceded reinsurance balances payable	4,272
Amounts withheld for the account of others	1,111
Taxes payable	1,180
Other unpaid expenses	471
Premiums collected for other companies - not remitted	1,743
Unearned premium reserve	115,292
Total Liabilities	162,069
Surplus	3,742,538
Total Liabilities and Surplus	\$ 3,904,607

WIDNER MUTUAL FIRE INSURANCE ASSOCIATION  
Income Statement and Change in Surplus  
For the year ended December 31, 2019

	Per Annual Statement
<b>INCOME</b>	
Net premiums:	
Direct premiums written	\$ 226,989
Less: Reinsurance premiums ceded	(16,299)
Total net premiums written	210,690
Aggregate excess loss reinsurance paid	(34,935)
Total net premiums	175,755
Income from investments	142,781
Other income	35,447
Total income	353,983
 <b>DISBURSEMENTS</b>	
Net losses paid:	
Direct losses	52,106
Less: Reinsurance recovered	-
Net losses paid	52,106
Operating expenses	86,627
Non-operating expenses	37,723
Total disbursements	176,456
 <b>CHANGE IN SURPLUS</b>	
Net income	177,527
Change in accrued assets and liabilities	(2,097)
Change in unrealized gains (losses)	232,102
Surplus, beginning of period	3,335,006
Surplus, end of period	\$ 3,742,538

### COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2019, based on the results of this examination.

### OTHER SIGNIFICANT ISSUES

There were no significant issues identified as of December 31, 2019, 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.

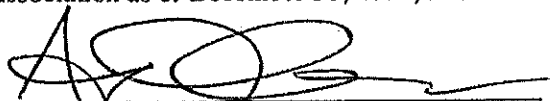
**AFFIDAVIT**

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 Widner Mutual Fire Insurance Company, as of December 31, 2019.

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

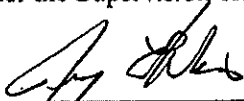
This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination by the Indiana Department of Insurance. Such procedures performed on this examination do not constitute an audit made in accordance 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 Widner Mutual Fire Insurance Association as of December 31, 2019, 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 2nd day of December, 2021, 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 

DARCY L. SHAWVER  
NOTARY PUBLIC

**SEAL**

MARION COUNTY, STATE OF INDIANA  
MY COMMISSION EXPIRES OCTOBER 4, 2025  
COMMISSION NO 706053

Widner Mutual Fire Insurance Association  
Financial Examination as of 12/31/2019

