

STATE OF MISSOURI



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

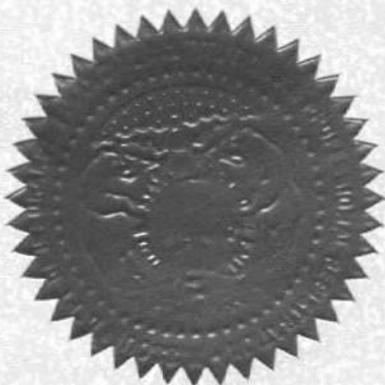
RE: Examination Report of Boeuf & Berger Mutual Insurance Company as of December 31, 2009

ORDER

After full consideration and review of the report of the financial examination of Boeuf & Berger Mutual Insurance Company for the period ended December 31, 2009, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, John M. Huff, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 380.061, RSMo [if Part I], or 380.491, RSMo [if Part II], adopt such report. After my consideration and review of such report are incorporated by reference and deemed to be my findings and conclusions to accompany this order.

Based on such findings and conclusions, I hereby ORDER Boeuf & Berger Mutual Insurance Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed in such report: (1) implement, and verify compliance with, each item mentioned in the General Comments and/or Recommendations section of such report; (2) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions; and (3) submit a signed copy of the minutes of the meeting which reflect a corporate resolution to the effect the Examination Report has been reviewed and accepted.

So ordered, signed and official seal affixed this 15th Day of February, 2011



John M. Huff, Director
Department of Insurance, Financial Institutions
and Professional Registration

REPORT OF THE
FINANCIAL EXAMINATION OF

Boeuf & Berger Mutual Insurance Company

AS OF
DECEMBER 31, 2009



FILED
FEB 25 2011
DIRECTOR OF INSURANCE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION

STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

<u>Subject</u>	<u>Page</u>
SALUTATION	1
SCOPE OF EXAMINATION:	
Period Covered	1
Procedures	1
Comments - Previous Examination Report	2
HISTORY:	
General	2
Management	2
Conflict of Interest	3
Corporate Records	3
Acquisitions, Mergers & Major Corporate Events	3
FIDELITY BOND AND OTHER INSURANCE	4
EMPLOYEE BENEFITS	4
INSURANCE PRODUCTS AND RELATED PRACTICES:	
Territory and Plan of Operation	5
Policy Forms & Underwriting	5
GROWTH AND LOSS EXPERIENCE OF THE COMPANY	6
REINSURANCE:	
General	6
Assumed	6
Ceded	6
ACCOUNTS AND RECORDS	8
FINANCIAL STATEMENTS:	
Analysis of Assets	9
Liabilities, Surplus and Other Funds	9
Statement of Income	10
Capital and Surplus Account	10
NOTES TO THE FINANCIAL STATEMENTS	11
EXAMINATION CHANGES	11
GENERAL COMMENTS AND/OR RECOMMENDATIONS	11
SUBSEQUENT EVENTS	12
ACKNOWLEDGMENT, VERIFICATION AND SUPERVISION	13

November 12, 2010
New Haven, Missouri

Honorable John M. Huff, Director
Missouri Department of Insurance, Financial
Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65101

Sir:

In accordance with your examination warrant, a full-scope examination has been made of the records, affairs and financial condition of

Boeuf & Berger Mutual Insurance Company

hereinafter referred to as such, or as the "Company". The Company's home office and principal place of business is located at 545 Harold H. Meyer Drive, New Haven, Missouri 63068, telephone number (573)237-3476. This examination began on October 18, 2010, and was concluded on the above date, and is respectfully submitted.

SCOPE OF EXAMINATION

Period Covered

The prior full-scope examination was made as of December 31, 2004, and was conducted by examiners from the State of Missouri. The current full-scope examination covers the period from January 1, 2005 through December 31, 2009, and was conducted by examiners from the Missouri Department of Insurance, Financial Institutions and Professional Registration.

This examination also included material transactions and/or events occurring subsequent to the examination date, which are noted in this report.

Procedures

This examination was conducted using the guidelines set forth by the National Association of Insurance Commissioners (NAIC), except where practices, procedures and applicable regulations of the DIFP and statutes of the State of Missouri prevailed.

Comments-Previous Examination Report

There were no general comments and recommendations listed in the previous examination report.

HISTORY

General

The Company was organized on April 20, 1908 as the Boeuf & Berger Mutual Aid Society. On February 4, 1935, the Company amended its Articles of Incorporation and changed its name to Boeuf & Berger Mutual Insurance Company. On September 22, 1987, the Company received a Certificate of Authority to provide insurance under sections RSMo. 380.201 to 380.601 (Extended Missouri Mutual Insurance Company).

Management

The Company is managed by a board of seven directors, serving staggered, three-year terms. Directors are elected at annual member meetings held on the third Tuesday of every February. Special meetings of the members may be called by a two-thirds vote of the Board of Directors or upon petition of one-fourth of the members. Ten members constitute a quorum at annual meetings. Absentee ballot and proxy voting are permitted. The President and Secretary receive \$125 and all other Directors receive \$100 as compensation for attending each meeting. All directors are also policyholders.

The Board consisted of the following members as of December 31, 2009:

<u>Name / Address</u>	<u>Occupation</u>	<u>Term</u>
Charles Vedder 2269 Highway C New Haven, Missouri 63068	Retired Farmer	2007-2010
Kenneth Bolte 2105 Enochs Road New Haven, Missouri 63068	University of Missouri Farm Management Specialist, Extension Agent	2008-2011
Jackie Branson 10174 Highway 100 New Haven, Missouri 63068	Accountant	2007-2010
Robert Bohl 1946 Sawmill Road Hermann, Missouri	Manager, Moval Farms, Inc.	2009-2012

John Steinbeck 2356 StonyHill Road Owensville, Missouri 65066	Farmer	2009-2012
Roland Walkenhorst 4518 Bucklick Creek Road New Haven, Missouri 63068	Businessman	2008-2011
Richard Scheer 2725 Koelkebeck Road New Haven, Missouri 63068	Dairy Farmer	2008-2011

The Board of Directors appoints for a term of one year, the officers of the Company. The officers of the Company serving at December 31, 2009, were as follows:

Charles Vedder	President
Kenneth Bolte	Vice-President
Jo Ann Kuschel	Secretary-Treasurer

Conflict of Interest

Signed conflict of interest statements are obtained annually from all officers, directors and full-time employees. No potential material conflicts were disclosed during the examination period.

Corporate Records

The Articles of Incorporation, Bylaws, and minutes from the annual member meetings and Board of Directors meetings were reviewed. The Company is following the guidelines established in the Articles of Incorporation and Bylaws. Board meeting minutes indicated that the Board is adequately informed regarding the Company's operations. Attendance at the Board and annual meetings appeared satisfactory.

Acquisitions, Mergers and Major Corporate Events

Effective July 31, 2008 a merger was completed between the Company and Cedar Fork Mutual Aid Society with Boeuf & Berger Mutual Insurance Company remaining as the surviving entity. This merger was approved by DIFP.

Effective December 28, 2009 a merger was completed between the Company and Lyon Mutual Insurance Company, with Boeuf & Berger remaining as the surviving entity. Lyon Mutual had 938 policyholders and \$394,234 in policyholder surplus as of December 31, 2008. The officers and directors of Lyon Mutual were substantially the same as the officers and directors of Boeuf

& Berger, and the merger is not expected to result in a significant change in the operations of the Company.

FIDELITY BOND AND OTHER INSURANCE

The Company has fidelity bond coverage providing a liability limit of \$250,000 from St. Paul Fire and Marine Insurance Company. This coverage exceeds the minimum amount suggested by the NAIC.

The Company carries directors' and officers' liability coverage through NAMIC Mutual Insurance Company with a limit of liability of \$2,000,000 per claim and aggregate.

Each of the Company's agents is required to carry Errors and Omissions liability coverage. The Company provides its 3 captive agents with \$1 million in coverage through MAMIC Mutual Insurance Company. Independent agents are required to purchase their own coverage that meets the Company's requirements.

The Company has a property insurance policy written by the Company. The insurance limits in 2009 were \$575,000 for the office building and \$100,000 for the contents.

The Company has a commercial general liability policy with Cameron Mutual Insurance Company. The policy has limits of insurance of \$500,000 per occurrence and \$1 million aggregate.

The Company has a workers compensation and employers liability policy with Missouri Employers Mutual Insurance Company. The workers compensation insurance applies to the workers compensation laws of the state of Missouri. The employers liability insurance has a limit of liability for bodily injury by accident of \$100,000 each accident and limits of liability for bodily injury by disease of \$100,000 per employee and a policy limit of \$500,000.

The Company's insurance coverage appears adequate.

EMPLOYEE BENEFITS

The Company has five full-time employees and two part-time employees. Employees receive life, health and dental insurance benefits. The Company provides twelve paid holidays and five paid sick days annually, as well as vacation time based on employment tenure. No accumulation of sick days or vacation days is allowed. A deferred compensation plan is also offered whereby the employee can contribute up to 6% of their salary up to a maximum of \$6,000 in one calendar year. The Company will match up to 3% of employee contributions per year.

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operations

The Company is licensed by the Missouri Department of Insurance as an Extended Missouri Mutual Insurance Company operating under Sections 380.201 through 380.601 RSMo (Extended Missouri Mutual Insurance Companies). The Company is authorized to write fire, windstorm and other coverages in all Missouri counties, although the majority of the Company's business is concentrated in Franklin, Gasconade and the immediate surrounding counties. The Company has traditionally sold homeowners, fire and extended coverage, farm property, commercial property, inland marine and liability insurance policies. The Company's received an updated certificate of authority on July 20, 2009. This included DIFP approval to write "Other" coverage. The Company is using this authority to write Equipment Breakdown coverage and Equipment Breakdown Enhancement endorsements. Insurance is provided on a non-assessable basis. The Company advertises its insurance products in local papers, phone books, and at local events.

Policy Forms and Underwriting Practices

The Company primarily writes continuous renewal, three-year policies. Policy rates are approved by the Board of Directors based on internal recommendations. Standardized policy forms are provided by the American Association of Insurance Services (AAIS). Insurance products are sold by three captive agents and 16 independent agents. Captive agents receive a 16% commission while independent agents receive a 15% commission plus a bonus commission if profitable.

All new properties are inspected prior to issuing the policies and properties are re-inspected prior to renewal. Inspection and claims adjusting services are performed by both in-house and independent inspectors and adjusters.

GROWTH AND LOSS EXPERIENCE OF THE COMPANY

	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Gross Premiums</u>	<u>Gross Losses</u>	<u>Investment Income</u>	<u>Underwriting Income</u>	<u>Net Income</u>
2009	\$4,139,330	\$ 1,107,904	\$ 3,073,499	\$ 2,248,028	\$ 77,847	(\$333,326)	(\$254,379)
2008	3,959,581	907,811	2,957,988	2,746,836	92,329	(409,574)	(255,905)
2007	3,875,268	1,273,998	3,195,736	2,442,320	104,440	(137,209)	58,279
2006	3,717,631	1,206,655	3,690,125	4,399,939	71,451	(387,181)	(204,974)
2005	3,671,948	1,078,337	4,016,441	1,663,451	101,646	308,593	517,209

At year-end 2009, there were 4,241 policies in-force.

REINSURANCE

General

The Company's reinsurance premium activity on a direct-written, assumed and ceded basis for the period under examination is shown below:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Direct	\$ 3,158,777	\$ 2,966,308	\$ 2,579,314	\$ 2,387,868	\$ 2,482,671
Assumed	857,664	723,817	616,422	570,120	590,828
Ceded	<u>(2,354,251)</u>	<u>(2,027,961)</u>	<u>(1,978,884)</u>	<u>(1,728,042)</u>	<u>(1,759,142)</u>
Net	<u>\$ 1,662,190</u>	<u>\$ 1,662,164</u>	<u>\$ 1,216,852</u>	<u>\$ 1,229,946</u>	<u>\$ 1,314,357</u>

Assumed

The Company is a member of the Missouri Mutual Reinsurance Exchange, a group reinsurance pool, under which the maximum assumed cession coverage limit per risk is \$60,000.

Ceded

For property coverage the Company maintains a retention of \$50,000 per risk and cedes reinsurance to a maximum of \$1,020,000 per risk as follows:

Risks over \$50,000 are ceded to the Missouri Mutual Reinsurance Exchange under an Obligatory Surplus Pooling Treaty. The maximum cession under this agreement is \$60,000 per risk.

The \$110,000 to \$125,000 layer is self-retained. This layer was previously reinsured with Lyon Mutual Insurance Company (Lyon) and became self-retained upon completion of the merger

between the Company and Lyon in December 2009.

The \$125,000 to \$145,000 layer is ceded to Barton Mutual Insurance Company under an Obligatory Pro-Rata Reinsurance Treaty.

Risks over \$145,000 are ceded to a reinsurance program managed by Guy Carpenter under a Property First Surplus Contract. The maximum liability under this agreement is \$375,000.

Risks in excess of \$520,000 are also ceded to a program managed by Guy Carpenter under a Facultative Pro Rata Reinsurance Contract. The maximum liability under this agreement is \$500,000.

The Company's liability coverage is reinsured through two agreements with Guy Carpenter. The Casualty Excess of Loss Reinsurance Agreement is a per occurrence treaty for liability coverage. The Company's retention is \$20,000 and the agreement covers policies up to \$520,000. Coverage under the Specialty Casualty Excess of Loss Reinsurance Agreement begins when a policy of the Company exceeds \$520,000. The maximum liability under this agreement is \$500,000.

The Company also has an Aggregate Excess of Loss Reinsurance Agreement with Guy Carpenter which covers all property and casualty business. Coverage begins when the Company's total net losses exceed the greater of 70% of net premiums earned or \$840,000. The reinsurer is then liable for the lesser of 95% of 205% of subject net premiums earned or 95% of \$3,690,000.

Below are the reinsurers participating in the contracts under the Guy Carpenter program and the percentage of the total reinsurance each company assumes:

<u>Company</u>	<u>Share</u>
Arch Reinsurance Company	38.50%
Employers Mutual Casualty Company	5.70%
Lloyd's Underwriting Syndicate No. 2987 BRT	14.20%
QBE Reinsurance Corporation	24.70%
Scor Reinsurance Company	5.20%
The Toa Reinsurance Company of America	11.70%

ACCOUNTS AND RECORDS

The Company uses the accrual basis method of accounting. Accounting records for premiums, claims and financial reporting are maintained on a personal computer based package developed by Rural Computers Consultants. The CPA firm of Van de Ven, LLC prepares financial statements and tax returns and compiles the Company's Annual Statement.

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of the Company for the period ending December 31, 2009, and the results of operations for the year then ended. Any examination adjustments to the amounts reported in the Annual Statement and/or comments regarding such are made in the "Notes to the Financial Statements," which follow the Financial Statements. (The failure of any column of numbers to add to its respective total is due to rounding or truncation.)

There may have been differences found in the course of this examination, which are not shown in the "Notes to the Financial Statements." These differences were determined to be immaterial, concerning their effect on the financial statements. Therefore, they were communicated to the Company and noted in the workpapers for each individual annual statement item.

ANALYSIS OF ASSETS
December 31, 2009

Bonds (Note 1)	1,261,722
Stocks	130,891
Real Estate	182,591
Cash on Deposit	2,262,549
Reinsurance Recoverable on Paid Losses	243,440
Computer Equipment	1,447
Interest Due and Accrued	26,981
Other Assets	29,709

Total Assets	<u><u>\$4,139,330</u></u>

LIABILITIES, SURPLUS AND OTHER FUNDS
December 31, 2009

Losses and Loss Adjustment Expenses Unpaid	\$ 195,924
Ceded Reinsurance Premiums Payable	135,410
Unearned Premium	756,047
Other Liabilities	20,523

Total Liabilities	\$ 1,107,904

Guaranty Fund (Note 2)	\$ 1,600,000
Other Surplus	1,431,426

Total Surplus	3,031,426

Total Liabilities and Surplus	<u><u>\$4,139,330</u></u>

STATEMENT OF INCOME
For the Year Ending December 31, 2009

Net Premiums Earned	\$ 1,333,018
Other Insurance Income	476,244
Net Losses & Loss Adjustment Expenses Incurred	(1,014,628)
Other Underwriting Expenses Incurred	(1,127,960)

Net Underwriting Income (Loss)	\$ (333,326)

Investment Income	\$ 77,847
Other Income	1,100

Gross Profit (Loss)	\$ (254,379)
Federal Income Tax	0

Net Income (Loss)	\$ (254,379)
	=====

CAPITAL AND SURPLUS ACCOUNT
December 31, 2009

Policyholders' Surplus, December 31, 2008	\$ 3,051,770
Net Income (Loss)	(254,379)
Changes in Unrealized Loss on Marketable Securities	23,289
Merger Surplus of Assets of Lyon Mutual Insurance Company	210,746

Policyholders' Surplus, December 31, 2009	\$ 3,031,426
	=====

NOTES TO THE FINANCIAL STATEMENTS

Note 1-Bonds

The Company investment in Bonds totaled \$1,261,722. This represented more than 30% of admitted assets as of December 31, 2009. The investment limitations imposed by 20 CSR 12.020 include a requirement that no more than 20% of an extended Missouri mutual's admitted assets may be invested in the aggregate in bonds or commercial paper.

The Company should monitor its investment positions in the future to ensure compliance with 20 CSR 12.020.

Note 2-Guaranty Fund

Effective July 2009 the Company became licensed to write G5 "Other" insurance coverage by DIFP. RSMo 380.271(5) states that in order to write this coverage a company must maintain a guaranty fund of at least \$1.6 million. The Company's reported Guaranty Fund of \$594,204 is less than the required amount. An examination change was made to increase the Guaranty Fund account by \$1,050,796 and reduce the Other Surplus account by the same amount.

The Company should ensure its Guaranty Fund is reported in compliance with RSMo 380.271 in the future.

EXAMINATION CHANGES

As disclosed in Note 2 above the only examination change was related to the \$1,050,796 increase in the Guaranty Fund account and the corresponding decrease in the Other Surplus account. This exam change resulted in no change in total policyholder surplus.

GENERAL COMMENTS AND RECOMMENDATIONS

Notes to the Financial Statements (Page 11)

The Company should monitor its investment positions in the future to ensure compliance with 20 CSR 12.020.

Notes to the Financial Statements (Page 11)

The Company should ensure its Guaranty Fund is reported in compliance with RSMo 380.271 in the future.

SUBSEQUENT EVENTS

None.

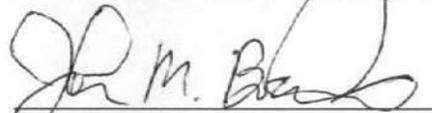
ACKNOWLEDGMENT

The assistance and cooperation extended by the employees of Boeuf & Berger Mutual Insurance Company during the course of this examination is hereby acknowledged and appreciated.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, John M. Boczkiewicz on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only the facts appearing upon the books, records or other documents of the company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

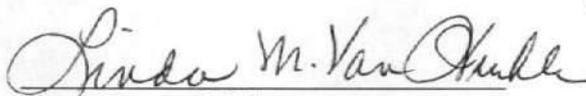


John M. Boczkiewicz, CPA, CFE
Financial Examiner
Missouri DIFP

Sworn to and subscribed before me this 2nd day of Nov., 2010.

My commission expires:

12/29/2010



Notary Public



SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.



Michael Shadowens, CFE
Audit Manager-St. Louis
Missouri DIFP



Phone: 573-237-3476
Fax: 573-237-2107
Toll Free: 1-888-437-3476

Boeuf and Berger Mutual
Insurance Company

545 Harold H. Meyer Drive
New Haven, MO 63068
bbmutins@fidnet.com

February 2, 2011

RE: 2009 Examination Report

Frederick G. Heese, CFE, CPA
Chief Financial Examiner
Division of Insurance Company Regulation
P.O. Box 690
Jefferson City, Mo. 65102

RECEIVED
FEB 07 2011

DEPT OF INSURANCE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION

Dear Mr. Heese:

I am enclosing an addendum related to the comment required for the above report (**Note 1-Bonds**) which I faxed to you on February 1, 2011. I realized after I sent this to you, in error I referenced state approval for mutual funds when in reality it was clearly pertaining to corporate bonds. I apologize for the error. Should you have any further questions pertaining to our investments, please contact me at the above number, or our investment advisor Wm. Hunter Leathers at 800-826-5302.

Thank you.

Sincerely,

Jo Ann Kuschel, PFMM
Boeuf & Berger Mutual Ins. Co.
545 Harold H. Meyer Drive
New Haven, Mo. 63068

Addendum/1

ADDENDUM TO 2009 EXAM REPORT

Note 1-Bonds should have read-

Boeuf & Berger was aware at the time of audit that our investments exceeded the 20% limit for corporate bonds; we did bring this overage to the attention of the auditors.

Between the time of the audit and January 15, 2011, Boeuf & Berger had \$325,000 in corporate bonds maturing. The maturing corporate bonds would and did bring Boeuf & Berger's percentage of corporate bonds down below 20% of investable assets, and the percentage remains below 20%.

As of February 1, 2011, Boeuf & Berger's corporate bond exposure is down below 20% of investable assets at 19.8%.

Below is a list of all corporate bonds.

Corporate Bond	Quantity	Maturity Date
AT&T, Inc.	100,000	02/15/14
Credit Suisse First Boston	30,000	11/15/11
General Electric Capital Corporation	50,000	09/15/17
General Electric Capital Corporation	100,000	02/13/19
General Electric Capital Corporation	50,000	02/27/19
HSBC Finance Corporation	35,000	10/15/12
Merrill Lynch & Co., Inc.	54,000	11/15/18
Merrill Lynch & Co., Inc.	100,000	08/28/17
Morgan Stanley Dean Witter	50,000	07/09/25
Morgan Stanley Dean Witter	50,000	03/03/23
Morgan Stanley Dean Witter	50,000	04/14/23
UBS AG Jersey Branch	50,000	04/22/20
TOTAL =	719,000	

Total Investable Assets at Raymond James Financial Services plus CDs and Money Markets with local banks Total = *\$3,622,122.26

This does bring Boeuf & Berger's percentage of corporate bonds down to 19.8%.

*Present total values are no guarantee of future value.



Phone: 573-237-3476
Fax: 573-237-2107
Toll Free: 1-888-457-3476
January 30, 2011

Boeif and Berger Mutual
Insurance Company

545 Harold H. Meyer Drive
New Haven, MO 63068
bbmutins@fidnet.com

RE: 2009 Examination Report

Fredrick G. Heese, CFE, CPA
Chief Financial Examiner
Division of Insurance Company Regulation
P.O. Box 690
Jefferson City, Mo. 65102

Dear Mr. Heese:

In reference to your letter of January 13, 2011, regarding our Examination for year ending December 31, 2009, our response and comments.

First and foremost, page 12 of your report is "SUBSEQUENT EVENTS", the note on this page is "None". I believe you are referring to page 11 of your report- Notes to the Financial Statements (Page 11) under the heading **GENERAL COMMENTS AND RECOMMENDATIONS**.

Note 1-Bonds

We were aware at the time of audit we exceed the 20% limit on corporate bonds, however, we had approval by letter from you, (Mr. Heese, DFE, CPA) on November 5, 2009, to liquidate these funds by June 30, 2011. We are in the process of doing this, and as of January 11, 2011, our dollar value is down to \$44,890.65. We will continue updates as promised, to ensure compliance with 20CSR 12.020. (Copy enclosed of November 5, 2009 and January 18, 2011 letter to Mr. Shoemaker regarding this issue.)

Note 2-Guaranty Fund

We applied for a change in our Certificate of Authority in 2009 to go into effect on January 1, 2010, to be changed adding "Other" to comply with the Department of Insurance to write Equipment Breakdown coverage. Therefore, our accountant was under the opinion when the annual statement was prepared that it would remain the same for 2009. We have no problem with this, and hereafter, it will be in compliance.

Enclosed please find Board Meeting minutes from January 27, 2011, approving your Examination Report with the explanations/compliance as requested. We are submitting this by fax and regular mail service. Thanking you in advance for a prompt reply.

Sincerely,

JoAnn Kuschel, PFMM
Enclosures/5

JEREMIAH W. (JAY) NIXON
GOVERNOR
STATE OF MISSOURI

DEPARTMENT OF INSURANCE
FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION
JOHN M. HUFF, DIRECTOR

DIVISION OF INSURANCE COMPANY REGULATION

FREDERICK G. HEESE, CHIEF FINANCIAL EXAMINER & ACTING DIVISION DIRECTOR

November 5, 2009

Jo Ann Kuschel, Secretary / Treasurer
Boeuf and Berger Mutual Insurance Company
545 Harold H. Meyer Drive
New Haven, MO 63068

COPY

RE: Investments

Dear Ms. Kuschel:

The Department of Insurance, Financial Institutions and Professional Registration (the "Department") reviewed your letter dated October 29, 2009, in which you requested permission from the Department to continue an orderly liquidation of four stock mutual funds.

The Department grants approval to Boeuf and Berger Mutual Insurance Company (the "Company") to proceed with an orderly liquidation of four stock mutual funds that do not qualify under 20 CSR 200-12.020 Extended Missouri Mutual Companies' (Approved Investments). Specifically, the Company must liquidate the remaining 3,967 shares of American Balanced Fund, 924 shares of shares of Hartford Capital Appreciation Fund, 2,116 shares of Lord Abbett Affiliated Fund, and 979 shares of Washington Mutual Investors Fund.

The Company is required to file quarterly portfolio statements from Raymond James to monitor the process, which includes the fund name, number of shares, price per share, and dollar value. The liquidation process must be completed no later than June 30, 2011. The first report should be sent to financial analyst Albert Shoemaker no later than January 14, 2010. ~~2009~~ 2010.

Approval of the transaction does not imply approval of the accounting treatment, admissibility of assets, or any other condition unless specifically outlined above. Our review was based on the proposed transaction as presented in the request as well as additional information that may have been obtained during the review process.

If you have further questions or concerns regarding this matter, please feel free to contact Albert Shoemaker by telephone at 573-526-4627 or via e-mail at albert.shoemaker@insurance.mo.gov.

Sincerely,

Frederick G. Heese, CFE, CPA
Chief Financial Examiner & Acting Division Director

FGH:ams

cc: Albert Shoemaker, DIFP
Tammy Rodieck, DIFP



Phone: 573-237-3476
Fax: 573-237-2107
Toll Free: 1-888-437-3476

Boeuf and Berger Mutual
Insurance Company

545 Harold H. Meyer Drive
New Haven, MO 63068
bbmutins@fidnet.com

November 5, 2009

COPY

RE: Investments letter dated 10/29/09, per request of Albert Shoemaker

Fredrick G. Heese, CFE, CPA
Chief Financial Examiner
Division of Insurance Company Regulation
Missouri Department of Insurance, Financial Institutions and Professional Registration
P.O. Box 690
Jefferson City, MO 65102

Dear Mr. Heese,

We are requesting to have up to an additional eighteen months (4/11/11) to complete the ongoing liquidation process. We would hope to be out of said positions (listed in letter on 10/29/09) much sooner if markets allow.

Upon liquidation, we will send the Department of Insurance acknowledging that the positions (equity funds) have been eliminated and that Boeuf & Berger Mutual is at that time 100% compliant with the Department of Insurance investment guidelines.

Again, thank you for your consideration. If we can be of any further assistance, please call or email me at bbmutins@fidnet.com

Sincerely,

Jo Ann Kuschel, PFMM
Boeuf & Berger Mutual Ins. Co.
545 Harold H. Meyer Drive
New Haven, Mo. 63068

COPY

January 18, 2011

Albert Shoemaker
Financial Analyst
Missouri Department of Insurance
Financial Institutions & Professional Registrations
301 W. High St., Truman Building, 50
Jefferson City, MO 65102

RE: Boeuf & Berger Farm Mutual Insurance Company mutual fund liquidations update

Dear Mr. Shoemaker,

Below you will find mutual fund liquidations that took place 01/11/2011.

- 1) American Balanced Fund
Shares 553.403
Share price: 18.070
Liquidation value: \$10,000
- 2) Hartford Capital Appreciation Fund
Shares 85.01
Share price: 35.290
Liquidation value: \$3,000
- 3) Washington Mutual Investors Fund
Shares 355.418
Share price: 27.420
Liquidation value: \$9,745.56

Total Liquidation value: \$22,745.56

This brings dollar value down from \$60,685.73 to \$44,890.65 in Equity mutual funds as of the close of 1/11/2011. We will continue with our updates as promised.

Sincerely,

Wm. Hunter Leathers
Branch Manager
Registered Principal
Raymond James Financial Services, Inc.
9229 Ward Parkway, Suite 285
Kansas City, MO 64114
Phone: 1-800-826-5302

Boeuf & Berger Mutual Insurance Company
Board Meeting Minutes
Date: January 27, 2011

COPY

I. Call to Order

A meeting of the Boeuf & Berger Mutual Insurance Company Board of Directors was held on January 27, 2011 at 7:00 P.M., with all Directors present except Kenneth Bolte. President Charles Vedder called the meeting to order.

II. Approval of minutes from last meeting

Minutes from the November 18, 2010 meeting were reviewed. Robert Bohl made a motion to accept the minutes as presented. John Steinbeck seconded the motion, motion carried.

III. Business

John Steinbeck made a motion to approve the financial statements for October, November, and December of 2010. Robert Bohl seconded the motion, motion carried.

Questions pertaining to writing the million dollar liability limits policy arose, it was decided to table the decision to write it until we have a meeting with our reinsurers on February 15, 2011.

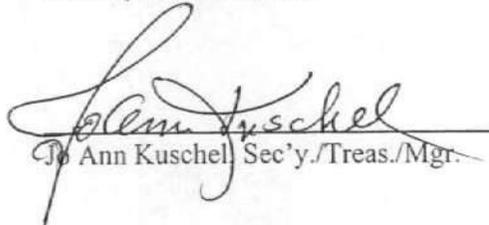
The Board of Directors reviewed the Department of Insurance Examination Report for period ending December 31, 2009. Richard Scheer made a motion to approve the report to be in compliance with their requests with our explanation regarding these issues. John Steinbeck seconded the motion, motion carried.

The budget for 2011 was presented and reviewed.

Next scheduled board meeting will be February 15, 2011, after 7:30 P.M. Annual Meeting.

IV. Adjournment

John Steinbeck made a motion to adjourn, Roland Walkenhorst seconded the motion, motion carried.


Ann Kuschel Sec'y./Treas./Mgr.

Rodieck, Tammy

From: Boczkiewicz, John
Sent: Thursday, February 17, 2011 1:46 PM
To: Shadowens, Michael
Cc: Rodieck, Tammy
Subject: RE: Boeuf & Berger Response

I agree that no changes to the Exam Report are necessary.

From: Shadowens, Michael
Sent: Thursday, February 17, 2011 1:42 PM
To: Boczkiewicz, John
Cc: Rodieck, Tammy
Subject: FW: Boeuf & Berger Response

I don't think there's anything in their response that would require any changes in the Exam Report. Do you John?

Mike Shadowens
Audit Manager-St. Louis
Division of Insurance Company Regulation
Missouri Department of Insurance, Financial Institutions and Professional Registration
111 North 7th Street - Room 229
St. Louis, MO 63101-2176
(314)340-7669

From: Rodieck, Tammy
Sent: Wednesday, February 09, 2011 4:20 PM
To: Boczkiewicz, John; Shadowens, Michael
Subject: Boeuf & Berger Response

I have attached a copy of the Boeuf & Berger response for you to review.

Thanks

Tammy Rodieck
Financial Exam Coordinator
Administrative Assistant
Division of Insurance Company Regulation
Missouri Department of Insurance,
Financial Institutions and Professional Registration
P.O. Box 690, Jefferson City, MO 65102
(573) 526-4877

CONFIDENTIALITY STATEMENT:

This e-mail may contain confidential information and is intended only for those to which it is addressed. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.