STATE OF MISSOURI

DEPARTMENT OF COMMERCE & INSURANCE

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

ORDER

After full consideration and review of the report of the financial examination of Drake-Beemont Mutual Insurance Company for the period ended December 31, 2024, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, Director, Missouri Department of Commerce and Insurance pursuant to section 380.491, RSMo, adopt such report. The findings and conclusions of the report are incorporated by reference herein and are deemed to be my findings and conclusions.

Based on such findings and conclusions, I hereby ORDER Drake-Beemont 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) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions; and (2) 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 23rd day of July, 2026.

MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

DRAKE-BEEMONT MUTUAL INSURANCE COMPANY

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Rosebud, MO
May 19, 2026

Honorable Angela L. Nelson, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Nelson:

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

DRAKE-BEEMONT MUTUAL INSURANCE COMPANY

hereinafter referred to as such, as DBMIC, or as the Company. Its administrative office is located at 261 Highway 50, Rosebud, MO 63091, telephone number (573) 764-4625. The fieldwork for this examination began on May 11, 2026, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a single-state financial examination of Drake-Beemont Mutual Insurance Company. The last examination of the Company by the Department covered the period of January 1, 2015, through December 31, 2019. The current examination covers the period of January 1, 2020, through December 31, 2024, as well as a review of any material transactions and events occurring subsequent to the examination period through the date of this report.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook* (*Handbook*), except where practices, procedures, and applicable regulations of the Department or statutes of the state of Missouri prevailed. The *Handbook* requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes the identification and evaluation of significant risks that could cause the Company's surplus to be materially misstated, both on a current and prospective basis.

This examination report includes significant findings of fact, as mentioned in Section 374.205 RSMo (Examination, director may conduct, when…) and general information about the Company and its financial condition. 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 are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

COMPANY HISTORY

General

The Company was originally organized and incorporated on July 29, 1911, as Drake-Beemont Mutual Aid Society. On November 1, 1984, the Company was incorporated in the state of Missouri as Drake-Beemont Mutual Insurance Company.

The Company has a Certificate of Authority dated September 12, 1988, and is covered by Sections 380.201 through 380.611 RSMo (Extended Missouri Mutual Insurance Companies). The Company's Certificate of Authority is renewed annually.

MANAGEMENT AND CONTROL

Board of Directors

In accordance with the Articles of Incorporation (Articles), the annual meeting of the Company's members is held on the second Tuesday in March, at the home office of the Company or at such place as may be designated by the Board of Directors. Special meetings of the members may be called by the Board of Directors at any time and shall be called upon the petition of one-fourth of the members. Five members shall constitute a quorum at any membership meeting. Proxy voting is not permitted.

The management of the Company is vested in a Board of Directors, who are elected by the general membership. The Board of Directors consists of nine members serving staggered, three-year terms. All directors must be policyholders of the Company. The Board of Directors meets each month.

Members serving on the Board of Directors as of December 31, 2024, were as follows:

Name	Principal Occupation
Kaye Schneider Mount Sterling, Missouri	Officer Clerk
Steve Helterbrand St. James, Missouri	Cartographer – Retired
Leland Wehmeyer Owensville, Missouri	Retired
Jeffrey Nolting Linn, Missouri	Driver
James Proctor Steelville, Missouri	US Park Service IT Manager
John Behrens Gerald, Missouri	Realtor
Craig Dozier Bland, Missouri	Dry Fork Steel and Supply
Debbie Winters Rosebud, Missouri	Farmer – Retired
Lawrence Kopp Gerald, Missouri	Retired

Senior Officers

The officers elected and serving, as of December 31, 2024, were as follows:

Name	Office
Kaye Schneider	President
Steve Helterbrand	Vice-President
Leland Wehmeyer	Secretary
Jeffrey Nolting	Treasurer

Conflict of Interest

The Company has written conflict of interest procedures for the disclosure of material conflicts of interest or affiliations by its directors and officers. The Company's directors and officers sign conflict of interest statements on an annual basis. A review of the executed conflict of interest statements noted no material potential conflict disclosed.

Corporate Records

The Company's Articles of Incorporation and Bylaws were reviewed. The Bylaws were amended on May 14, 2024, to adjust the timeframe on claim reporting requirements. No changes were made to the Articles of Incorporation during the exam period. The minutes of the annual membership meetings and the Board of Directors meetings were reviewed for the period under examination.

EMPLOYEE BENEFITS

The Company has four full-time employees and one part-time employee. Benefits provided to full-time employees include health insurance along with Company contribution to any employee-controlled health savings account, life insurance, and paid leave.

INSURANCE PRODUCTS AND RELATED PRACTICES

Intercompany Transactions

The Company is licensed by the Missouri Department of Commerce and Insurance as an Extended Missouri Mutual Company operating under Sections 380.201 through 380.611 RSMo (Extended Missouri Mutual Companies). The Company is authorized to write fire, wind and liability insurance in all counties in the State of Missouri. The Company policies are sold by five independent agencies who receive a 15% commission on all business written.

Policy Forms and Underwriting Practices

The Company utilizes American Association of Insurance Services (AAIS) policy forms. The policies are written for one year and are continuous. Property inspections are mainly performed in-house by the Company's inspector. Rates are determined by the Board of Directors.

GROWTH OF COMPANY AND LOSS EXPERIENCE

($000s omitted)

Year	Admitted Assets	Liabilities	Gross Written Premiums	Gross Paid Losses	Investment Income (Loss)	Underwriting Income (Loss)	Net Income (Loss)
2024	$ 1,919	$ 356	$ 2,966	$ 1,246	$ 43	$ 282	$ 328
2023	1,698	521	2,612	2,500	45	(430)	(385)
2022	2,031	473	2,559	1,543	41	(213)	(172)
2021	2,193	444	2,576	1,039	35	(19)	17
2020	1,817	80	2,610	1,663	39	14	55

At year-end 2024, there were 1,774 policies in force.

REINSURANCE

General

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

($000s omitted)

Premium Type	2020	2021	2022	2023	2024
Direct Premiums Written	$ 2,610	$ 2,576	$ 2,559	$ 2,612	$ 2,966
Reinsurance Assumed:	-	-	-	-	-
Reinsurance Ceded:	(1,014)	(1,012)	(1,040)	(1,070)	(3,042)
Net Premiums Written	**$ 1,596**	**$ 1,564**	**$ 1,519**	**$ 1,542**	**$ (76)**

Assumed Reinsurance

The Company does not reinsure other companies.

Ceded Reinsurance
The Company cedes 100% of its property and liability risks through a quota share agreement with Missouri Mutual Insurance Captive, LLC (MMIC). In conjunction with the reinsurance agreement, the Company entered into a surplus provision agreement with MMIC. Under the terms of the agreement, the Company participates in the performance of the pool of risk of other Missouri mutual insurance companies which have been ceded to MMIC under similar quota share reinsurance contracts.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance contract.

ACCOUNTS AND RECORDS

Independent Auditor
The accounting records are maintained by the Company on a modified-cash basis. The certified Public Account (CPA) firm of Van de Ven, LLC of Cape Girardeau, Missouri, performs a compilation of the Company's financial statements and prepares the Company's annual statement and federal tax filings.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of DBMIC for the period ending December 31, 2024. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the financial statements and should be considered an integral part of 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 additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items." These differences were determined to be immaterial to the financial statements and were therefore communicated only to the Company and noted in the examination workpapers.

ASSETS
As of December 31, 2024

Bonds – Book Value	$	295,657
Mutual Funds		201,510
Real Estate – Book Value		107,163
Cash on Deposit		963,458
Other Investments		55,000
Reinsurance Recoverable on Paid Losses		3,721
Computer Equipment (Hardware Only)		3,107
Interest Due and Accrued		7,251
Prepaid Reinsurance		200,938
Reinsurance Recoverable		80,714
TOTAL ASSETS	**$**	**1,918,519**

LIABILITIES, SURPLUS AND OTHER FUNDS
As of December 31, 2024

Ceded Reinsurance Premium Payable	$	300,334
Payroll Tax		1,006
Accounts Payable (Other)		37,660
Prepaid Policy Premiums		16,995
TOTAL LIABILITIES	**$**	**355,995**
Guaranty Fund		150,000
Other Surplus		1,412,524
TOTAL POLICYHOLDER SURPLUS	**$**	**1,562,524**
TOTAL LIABILITIES AND SURPLUS	**$**	**1,918,519**

STATEMENT OF INCOME
For the Year Ended December 31, 2024

Net Earned Assessment/Premium Income	$	(75,754)
Other Insurance Income		1,152,381
Net Losses & Loss Adjustment Expense		(137,541)
Underwriting Expenses		931,862
Underwriting Income (Loss)	**$**	**282,306**
Investment Income		42,860
Investment Expenses		-
Net Investment Income (Loss)	**$**	**42,860**
Other Income		2,346
Gross Profit (Loss)	**$**	**327,512**
Federal Income Tax		0
NET INCOME (LOSS)	**$**	**327,512**

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2020 to December 31, 2024

($000s omitted)

	2020	2021	2022	2023	2024
Beginning Policyholder's Surplus	$ 1,682	$ 1,737	$ 1,749	$ 1,558	$ 1,237
Net Profit or (Loss)	55	17	(172)	(385)	328
Adjustments	-	(5)	(19)	4	(2)
Ending Policyholder's Surplus	**$ 1,737**	**$ 1,749**	**$ 1,558**	**$ 1,177**	**$ 1,563**

COMMENTS ON FINANCIAL STATEMENT ITEMS

None

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None

SUMMARY OF RECOMMENDATIONS

None

SUBSEQUENT EVENTS

None

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Drake-Beemont Mutual Insurance Company during the course of this examination is hereby acknowledged and appreciated.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Justin Lamb, 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 facts appearing upon the books, records, or other documents of DBMIC, 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.

HAILEY LUEBBERT
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES MARCH 30, 2027
OSAGE COUNTY
COMMISSION #15634366

Justin Lamb
Examiner-In-Charge
Missouri Department of Commerce and Insurance

Sworn to and subscribed before me this 16th day of June, 2026.

My commission expires: March 30, 2027

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, except where practices, procedures, and applicable regulations of the Missouri Department of Commerce and Insurance and statutes of the state of Missouri prevailed.

Michael R. Shadowens

Michael R. Shadowens, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance