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 Freedom 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 Freedom 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 4th day of June, 2026.

MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE

Angela L. Nelson

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

FREEDOM MUTUAL INSURANCE COMPANY

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Linn, MO
May 5, 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

Freedom Mutual Insurance Company

hereinafter referred to as such, or as the Company. Its administrative office is located at 913 East Main Street, Linn, Missouri 65051, telephone number (573) 799-4340. The fieldwork for this examination began on April 28, 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 Freedom 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

The Company did not report a guaranty fund balance as of December 31, 2024. While this adjustment does not change the total policyholder surplus as of December 31, 2024, this resulted in an examination change to decrease other surplus and increase the guaranty fund by the recommended amount.

COMPANY HISTORY

General

The Company was originally organized in March 1885 as Osage County Farmer's Mutual Aid Association and was incorporated in 1889. In 1971, the Company changed its name to Freedom Mutual Fire Insurance Company. In 1999, the Company changed its name to Freedom Mutual Insurance Company.

The Company has a Certificate of Authority dated April 12, 2000, 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, the annual meeting of the Company's members is held on the first Saturday of February of each year at the home office of the Company. Special meetings of the members shall be called by the Board of Directors upon a two-thirds majority vote of the full Board or by petition of one fourth of the members. Eight members shall constitute a quorum at any membership meeting.

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

Due to the passing of Board President, Don Brandt, in November 2024, the Company only had four Directors as of December 31, 2024. The vacant position was filled at the Annual Meeting held in February 2025.

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

Name and Address	Occupation
Edgar Muenks Linn, Missouri	Retired/Farmer
Ronald Baker Linn, Missouri	Retired/Farmer
Dennis Hopke Linn, Missouri	Factory Worker
Wade Orschelen Linn, Missouri	School Teacher

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

Name	Office
Edgar Muenks	President
Dennis Hopke	Vice President
James Kinder III	Secretary
Ronald Baker	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.

Corporate Records
The Company's Articles of Incorporation and Bylaws were reviewed. There were no amendments made to either document during the examination period. The minutes of the annual membership meetings and Board of Directors meetings were reviewed for the period under examination.

EMPLOYEE BENEFITS

The Company has one full-time and one part-time employee. The Company does not offer employee benefits.

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operations
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's policies are sold by five agents, who receive an 11% commission on all new and renewal policies written.

Policy Forms and Underwriting Practices
The Company utilizes the policy forms of American Association of Insurance Services (AAIS). The policies are written for three years and are continuous. Property inspections and claim adjusting is performed by independent contractors. 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	$ 1,838	$ -	$ 4,212	$ 2,007	$ 32	$ (698)	$ (463)
2023	2,291	-	3,475	2,788	(43)	(43)	(59)
2022	2,348	-	3,088	1,957	22	(440)	(413)
2021	2,827	55,590	2,995	1,378	52	248	240
2020	2,533	-	2,877	2,850	48	(8)	33

At year-end 2024, there were 2,446 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	$ 2,877	$ 2,995	$ 3,088	$ 3,475	$ 4,212
Reinsurance Assumed:	-	-	-	-	-
Reinsurance Ceded:	(1,284)	(1,266)	(1,283)	(1,497)	(2,387)
Net Premiums Written	**$ 1,593**	**$ 1,729**	**$ 1,805**	**$ 1,978**	**$ 1,825**

Assumed Reinsurance
The Company does not reinsure other companies.

Ceded Reinsurance
The Company has all of its reinsurance through Grinnell Mutual Reinsurance Company (the reinsurer) through a reinsurance agreement that provides per risk excess of loss, catastrophe excess of loss, and aggregate excess of loss coverage for property risks, as well as quota share coverage for liability risks.

The per-risk excess of loss section of the agreement includes multiple layers of coverage. Ultimately, the Company retains $175,000 of property losses per risk, and the reinsurer's maximum limit is $10 million per property risk. Under the catastrophe excess of loss section of the agreement, the Company retains $750,000 of ultimate net loss per occurrence with a limit of $2,500,000 per loss occurrence and an annual aggregate limit of $5,000,000. Under the aggregate excess of loss section of the agreement, the reinsurer is liable for 100% of the property losses in excess of an amount equal to a 73.6811% loss ratio.

For the liability coverage, the Company cedes 100% of the premiums and losses to the reinsurer and receives a 20% ceding commission. The reinsurer's maximum per occurrence limit under the agreement is $2,000,000 for farmowners policies and $1,000,000 for all other policies.

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 cash basis. The Certified Public Accounting firm of Van de Ven, LLC, of Cape Girardeau, Missouri, prepares the Company's annual statement and 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 Freedom Mutual Insurance Company 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 concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the examination workpapers.

ASSETS
As of December 31, 2024

Bonds	$	1,181,019
Real Estate – Book Value		108,528
Cash on Deposit		498,473
Federal Income Tax Recoverable		40,000
Interest Due and Accrued		9,659
TOTAL ASSETS	**$**	**1,837,679**

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

TOTAL LIABILITIES	**$**	**-**
Guaranty Fund (NOTE 1)		-
Other Surplus (NOTE 1)		1,837,679
TOTAL POLICYHOLDER SURPLUS	**$**	**1,837,679**
TOTAL LIABILITIES AND SURPLUS	**$**	**1,837,679**

STATEMENT OF INCOME
For the Year Ended December 31, 2024

Net Earned Assessment/Premium Income	$	1,824,986
Other Insurance Income		-
Net Losses & Loss Adjustment Expense		1,727,101
Underwriting Expenses		795,834
Underwriting Income (Loss)	**$**	**(697,949)**
Investment Income		32,124
Investment Expenses		8
Interest Expenses		-
Net Investment Gain (Loss)	**$**	**32,116**
Other Income		203,067
Gross Profit or Loss	**$**	**(462,766)**
Federal Income Tax		-
NET PROFIT OR (LOSS)	**$**	**(462,766)**

GAIN OR LOSS IN SURPLUS
Changes from January 1, 2020 to December 31, 2024

($000s omitted)

	2020	**2021**	**2022**	**2023**	**2024**
Beginning Policyholder’s Surplus	$ 2,499	$ 2,533	$ 2,772	$ 2,348	$ 2,291
Net Profit or (Loss)	33	240	(413)	(59)	(463)
Change in Unrealized Gains (Losses)	1	(1)	(11)	2	9
Ending Policyholder’s Surplus	**$ 2,533**	**$ 2,772**	**$ 2,348**	**$ 2,291**	**$ 1,837**

COMMENTS ON FINANCIAL STATEMENT ITEMS

NOTE 1:	Guaranty Fund	$	150,000

The Company did not report a guaranty fund balance as of December 31, 2024. Section 380.271 (Financial reinsurance requirements) states that a company shall maintain a guaranty fund of not less than fifty thousand dollars or one-tenth of one percent of the net insurance in force per line of insurance provided. Based on information provided by the Company, the Department estimated the minimum guaranty fund to write fire, liability, and windstorm to be $150,000. This difference does not change the total policyholder surplus as of December 31, 2024. The Company should complete the calculation to determine the required guaranty fund and report the proper amount on future annual statement filings.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

	Increase	Decrease	
Reported Surplus at December 31, 2024			$ 1,837,679
Guaranty Fund (Note 1)	$ 150,000		
Other Suplus		$ 150,000	
Net Increase (Decrease) to Surplus			-
Adjusted Surplus at December 31, 2024			**$ 1,837,679**

SUMMARY OF RECOMMENDATIONS

The Company should report a guaranty fund as a component of surplus in future financial statements in compliance with Section 380.271 (Financial reinsurance requirements).

SUBSEQUENT EVENTS

None

ACKNOWLEDGMENT

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

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Ethan Adrian, 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 Freedom Mutual Insurance 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.

Ethan Adrian
Financial Examiner
Missouri Department of Commerce and Insurance

Sworn to and subscribed before me this 5th day of May, 2026.

My commission expires: March 30, 2027

Notary Public

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

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 Examiner
Missouri Department of Commerce and Insurance