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 MEM 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 of the Missouri Department of Commerce and Insurance pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant finding, company history, management and control, territory and plan of operation, growth of company and loss experience, reinsurance, accounts and records, financial statements, comments on financial statement items, financial statement changes resulting from examination, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of MEM Mutual Insurance Company as of December 31, 2024, be and is hereby ADOPTED as filed and for MEM 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 by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 8th day of April, 2026.

MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

MEM MUTUAL INSURANCE COMPANY

(FORMERLY MISSOURI EMPLOYERS MUTUAL INSURANCE COMPANY)

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Jefferson City, MO
January 26, 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

MEM Mutual Insurance Company (NAIC #10191)

hereinafter referred to as such, by its former name of Missouri Employers Mutual Insurance Company, as MEM Mutual, or as the Company. Its administrative office is located at 101 North Keene St., Columbia, MO 65201, telephone number (573) 499-9714. The fieldwork for this examination began on June 2, 2025, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a multi-state financial examination of MEM Mutual Insurance Company. The last examination of the Company by the Department covered the period of January 1, 2016, 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 also included a review of significant estimates made by management and evaluation of management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. Those activities considered in the examination as key to MEM Mutual included Claims and Reserves, Investments, Premium and Underwriting, Reinsurance, Capital and Surplus, and Related Party. The examination also included a review and evaluation of information technology general controls.

This examination was conducted as part of a coordinated examination of the Missouri Employers Mutual (MEM) Group, which consists of five insurance companies domiciled in Missouri. The Missouri Department is the lead state regulator for the group. Along with Missouri, Colorado participated in the coordinated examination with the examination of Previsor Insurance Company (Previsor), a related party of the MEM Group. The examination was also conducted concurrently with the examinations of the Company's Missouri-domiciled affiliates, MEM Shield Insurance Company (MEM Shield), MEM Secure Insurance Company (MEM Secure), MEM Preserve Insurance Company (MEM Preserve), and MEM Protect Insurance Company (MEM Protect).

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

Missouri Employers Mutual Insurance Company was created pursuant to Sections 287.900 to 287.920 RSMo, which is referred to as the "Missouri Employers Mutual Insurance Company Act enacted in 1993. In compliance with these statutes, MEM operates under Chapter 379 (Insurance Other Than Life) insurance laws.

The Company was created to insure Missouri employers against liability for workers' compensation, occupational disease, and employers' liability coverage. The Company was subsequently organized on September 16, 1994, and commenced business on March 1, 1995.

MEM was granted tax-exempt status by the Internal Revenue Service, as of December 1, 1998. The Company was organized and operates as a domestic mutual insurance company, and it is not an agency of the State of Missouri. However, the Company's Bylaws require that three of the five directors serving on the Board of Directors shall be appointed by the Governor of Missouri, subsequent to election by the policyholders.

Effective January 1, 2025, the Company changed its name to MEM Mutual Insurance Company and converted to a private insurance company, eliminating the IRS tax exemption and Governor-appointed board members. See the Subsequent Events Section of the examination report.

Mergers, Acquisitions, and Major Corporate Events

During the examination period, MEM Mutual created four insurance subsidiaries, MEM Shield, MEM Secure, MEM Protect, and MEM Preserve. The insurance subsidiaries will allow MEM Mutual to meet the pricing needs of its policyholders after losing the ability to utilize underwriting tiers in Missouri with the conversion from a state-sponsored workers' compensation carrier to a private insurance company effective January 1, 2025. MEM Mutual and its insurance subsidiaries have varying premium base rates.

Dividends and Capital Contributions
There were no dividends or capital contributions during the examination period.

Surplus Notes
There were no surplus notes issued or outstanding during the examination period.

MANAGEMENT AND CONTROL

Board of Directors
The management of the Company is vested in a Board of Directors that is elected by the policyholders. The Company's Bylaws through December 31, 2024, specified that there shall be a total of five directors and three of these are appointed directors. Appointed directors are submitted to the Governor of the State of Missouri for appointment after being elected by the policyholders. The Board of Directors elected and serving as of December 31, 2024, were as follows:

Name and Address	Principal Occupation and Business Affiliation
Charles A. Caisley, Chair Kansas City, Missouri	Senior Vice President, Public Affairs Evergy Companies
William T. Reeves St. Louis, Missouri	Executive Vice President, Regional Chairman Busey Bank
Joe L. Moseley Columbia, Missouri	Retired Vice President, Public Affairs Shelter Insurance Companies
James C. Owen Columbia, Missouri	Retired Chief Executive Officer and President MEM Mutual Insurance Company
Herman A. Styles, Jr. Poplar Bluff, Missouri	Restaurant Owner/Operator Hand Cut Steaks of Poplar Bluff

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

Name	Office
Roger S. Walleck	President and Chief Executive Officer
Andrew S. Ribaudo	Chief Financial Officer
Jennifer L. Barth	Vice President, General Counsel, and Secretary
Kevin T. Miller	Vice President, Chief Transformation Officer
Jennifer A. Peck	Vice President, Chief Strategy and Customer Officer
Susan R. Eslinger	Vice President, Chief Sales Officer

Principal Committees
As of December 31, 2024, the following Board committees were in place: Audit Committee, Compensation Committee, Investment Committee, and Nominating and Governance Committee. All Board members serve on each committee, and each Board member, except for the Board chair, serves as chair of one committee.

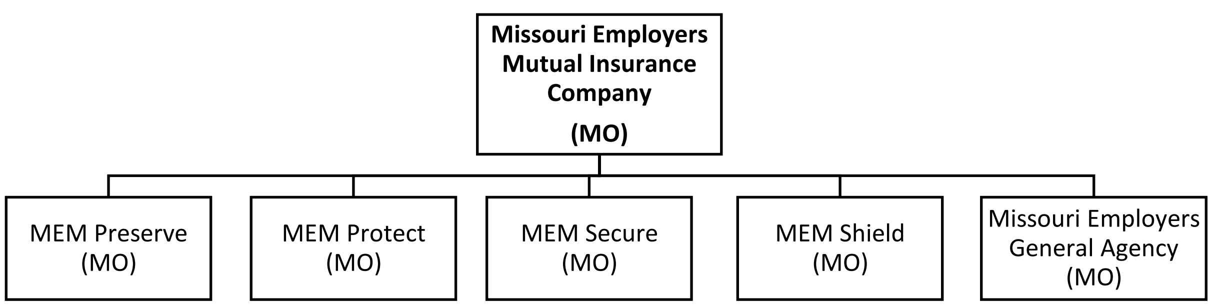
Corporate Records
The Company's Articles of Incorporation (Articles) and Bylaws were reviewed. At the August 10, 2023, meeting, the Board of Directors approved amending the Articles to update language for the

conversion from a corporation created under Section 287.900 to a mutual insurance corporation transacting under Chapter 379 RSMo, and for the name change to MEM Mutual Insurance Company effective January 1, 2025. No changes were made to the Bylaws. The minutes of the policyholders, Board of Directors, and Board committees were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates
MEM Mutual is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). MEM Mutual, which is owned by its policyholders, is the parent of the insurance group consisting of five insurance companies. The only non-insurance entity, MEGA, Inc. doing business as Missouri Employers General Agency, has been dormant since 2007.

MEM Mutual beneficially owns Previsor Insurance Company (Previsor), a Colorado-domiciled insurance company, but the voting rights of Previsor stock are controlled through a voting trust agreement and the Trustee, Simmons Bank. Simmons Bank appoints an individual to serve as the voting trustee who must remain independent and not receive compensation from MEM Mutual or Previsor or have any other financial interest other than compensation for services specified under the agreement. The Trustee votes based on guidance provided by the dual policyholders of MEM Mutual and Previsor. As such, Previsor is considered a related party but not a controlled affiliate under SSAP No. 25.

Organizational Chart
The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2024. All subsidiaries shown are wholly owned unless otherwise noted.



Intercompany Transactions
The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2024. A brief description of these agreements are as follows:

General Operating Agreement: An agreement between MEM Mutual and Missouri Employers General Agency (MEGA), effective February 1, 2011, whereby MEGA provides MEM Mutual with various agency related services and administrative services. MEM Mutual pays MEGA a commission on all business produced. No fees were incurred under the agreement during the examination period.

TERRITORY AND PLAN OF OPERATION

MEM Mutual is licensed as a property and casualty insurer by the Missouri Department under Chapter 379 RSMo (Insurance Other than Life). The Company is also licensed in Arkansas, Iowa, Kansas, Nebraska, and Tennessee. During the examination period, MEM Mutual only wrote business in the state of Missouri.

MEM Mutual's only line of business is workers' compensation as required by the law that created the Company. MEM Mutual is the largest writer of workers' compensation insurance in Missouri with a 20.7 percent share of 2024 direct premiums written.

The majority of the Company's business is produced by independent insurance agencies. Until it was repealed effective January 1, 2025, Section 287.902, RSMo (Missouri Employers Mutual Insurance Company) required the Company to give preference to Missouri employers with an annual premium of $10,000 or less. As of May 31, 2024, 73 percent of MEM Mutual's policyholders had annual premiums of $10,000 or less.

Some of MEM Mutual's policyholders have employees located outside of the state of Missouri. MEM Mutual utilized a fronting arrangement with Previsor Insurance Company and Argonaut Insurance Company to insure out-of-state risks.

In 2023, Missouri Senate Bill 101 was enacted, repealing the law that established MEM Mutual as a public corporation and specifying a process by which MEM Mutual may convert to a private mutual insurance corporation. Upon privatization in 2025, MEM Mutual plans to directly write out-of-state risks in the states licensed.

GROWTH OF COMPANY AND LOSS EXPERIENCE

During the examination period, the Company's net premium written remained relatively flat, while the writing ratio decreased due to the increase in surplus.

The table below summarizes the Company's premium writings and writing ratios for the period under examination:

($000s omitted)

Year	Net Premiums Written	Change in Net Premiums	Capital and Surplus	Ratio of Net Premiums to Surplus
2020	$ 226,976	$ (17,855)	$ 252,551	0.90
2021	229,372	2,396	273,551	0.84
2022	220,415	(8,957)	275,959	0.80
2023	234,538	14,123	303,332	0.77
2024	250,731	16,193	409,840	0.61

The Company's loss ratio was stable, and it decreased slightly during the current examination period compared to the prior examination period of 2016 - 2019.

The table below summarizes the Company's incurred losses and loss ratios for the period under examination:

($000s omitted)

Year		Net Premiums Earned		Net Losses and Loss Adjustment Expenses	Loss Ratio
2020	$	231,589	$	167,546	0.72
2021		229,658		160,919	0.70
2022		226,854		156,288	0.69
2023		230,983		149,834	0.65
2024		245,310		174,528	0.71

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	$	219,128	$	221,537	$	210,770	$	220,118	$	224,431
Reinsurance Assumed:										
Affiliates		0		0		0		0		0
Non-Affiliates		16,112		15,962		17,510		22,239		33,075
Reinsurance Ceded:										
Affiliates		0		0		0		0		0
Non-Affiliates		8,264		8,128		7,865		7,819		6,775
Net Premiums Written	**$**	**226,976**	**$**	**229,372**	**$**	**220,415**	**$**	**234,538**	**$**	**250,731**

Assumed Reinsurance

MEM Mutual assumes workers' compensation business from Argonaut Insurance Company (Argonaut) pursuant to a 100 percent quota share agreement. The Company also has a quota share agreement with Previsor in which it assumes 80 percent of the workers' compensation business written by Previsor. For 2024, Previsor accounted for 82 percent of MEM Mutual's assumed business, and Argonaut accounted for the other 18 percent.

Ceded Reinsurance

MEM Mutual has excess of loss reinsurance with numerous participating reinsurers placed through its broker, Willis Re. For 2024, the first layer of excess of loss coverage had a blended per occurrence retention of $2,925,000, a blended per occurrence limit of $7,075,000, and a blended aggregate limit of $27,800,000. The second layer of excess of loss coverage had a per occurrence retention of $10,000,000, a per occurrence limit of $40,000,000, and an aggregate limit of $80,000,000. All contracts renew annually on January 1.

On December 30, 2024, MEM Mutual and Previsor entered into a loss portfolio transfer agreement with Safety National Casualty Corporation (SNCC) that is accounted for as retroactive reinsurance. The agreement transferred to SNCC 100 percent of the losses paid or payable by MEM Mutual or Previsor on losses for loss years December 31, 2023, and prior up to an aggregate limit of $460 million. The Company paid SNCC $82,500,000 in cash and placed $166,500,000 in a notional account for the benefit of SNCC for a total consideration of $249,000,000.

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 certified public accounting (CPA) firm, Forvis Mazars, LLP, in Kansas City, Missouri, performed the statutory audit of the Company for the years under examination. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion

The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Kimberly W. Guerriero, FCAS, MAAA of Milliman, Inc., for all years in the examination period. Ms. Guerriero is employed by Milliman, Inc. in Wakefield, Massachusetts.

Consulting Actuary

Pursuant to a contract with the Department, Kristine Fitzgerald, ACAS, MAAA, FCA of Actuarial & Technical Solutions, Inc., reviewed the underlying actuarial assumptions and methodologies used by MEM Mutual to determine the adequacy of loss reserves and LAE reserves. Ms. Fitzgerald determined that the Company made a reasonable provision for the loss and LAE reserves that were reported in the statutory financial statements, as of December 31, 2024.

Information Systems

In conjunction with this examination, Kimberly Dobbs, MBA, CFE, AES, CISA, the Department's Information Systems Examiner-in-Charge, assisted by Lisa Li, CPA, CFE, ARe, IT Examiner Specialist, reviewed the Company's information systems.

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 MEM 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 workpapers for each individual key activity.

ASSETS
As of December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$ 664,921,077	$ 0	$ 664,921,077
Stocks:			
Preferred Stocks	900,000	0	900,000
Common Stocks	112,169,340	521,018	111,648,322
Real Estate:			
Properties Occupied by the Company	7,679,725	0	7,679,725
Cash, Cash Equivalents, and Short-Term Investments	18,256,411	0	18,256,411
Other Invested Assets	2,242,230	0	2,242,230
Investment Income Due and Accrued	5,152,021	0	5,152,021
Premiums and Considerations:			
Uncollected Premiums and Agents’ Balances in the Course of Collection	86,362,823	13,480,376	72,882,447
Deferred Premiums, Agents’ Balances, and Installments Booked but Deferred and Not Yet Due	8,788,392	878,839	7,909,553
Reinsurance:			
Amounts Recoverable from Reinsurers	3,730,069	0	3,730,069
Funds Held by or Deposited with Reinsured Companies	901,612	0	901,612
Electronic Data Processing Equipment and Software	4,554,747	4,081,179	473,568
Furniture and Equipment, Including Health Care Delivery Assets	14,495	14,495	0
Aggregate Write-Ins for Other-Than-Invested Assets	11,616,543	8,130,731	3,485,812
TOTAL ASSETS	**$ 927,289,485**	**$ 27,106,638**	**$ 900,182,847**

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

Losses	$	411,412,886
Reinsurance Payable on Paid Losses and Loss Adjustment Expenses		1,520,204
Loss Adjustment Expenses		35,127,981
Commissions Payable, Contingent Commissions, and Other Similar Charges		11,245,885
Other Expenses		17,625,446
Taxes, Licenses, and Fees		1,441,344
Borrowed Money and Interest Thereon		70,010,572
Unearned Premiums		104,201,076
Advance Premiums		1,276,421
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)		1,789,790
Amounts Withheld or Retained by Company for Account of Others		2,969,067
Payable to Parent, Subsidiaries, and Affiliates		39,698
Payable for Securities		(52)
Aggregate Write-Ins for Liabilities		(168,317,136)
TOTAL LIABILITIES	**$**	**490,343,182**
Aggregate Write-Ins for Special Surplus Funds		85,817,136
Unassigned Funds (Surplus)		324,022,529
TOTAL CAPITAL AND SURPLUS	**$**	**409,839,665**
TOTAL LIABILITIES AND SURPLUS	**$**	**900,182,847**

STATEMENT OF INCOME

For the Year Ended December 31, 2024

Premiums Earned	$	245,310,379
DEDUCTIONS:		
Losses Incurred		148,486,097
Loss Adjustment Expenses Incurred		26,041,566
Other Underwriting Expenses Incurred		82,775,988
Total Underwriting Deductions	$	257,303,651
Net Underwriting Gain (Loss)	**$**	**(11,993,272)**
Net Investment Income Earned		26,522,900
Net Realized Capital Gains		25,410,984
Net Investment Gain (Loss)	**$**	**51,933,884**
Net Gain (Loss) from Agents' or Premium Balances Charged Off		(408,012)
Aggregate Write-Ins for Miscellaneous Income		93,593,334
Dividends to Policyholders		(32)
Federal and Foreign Income Taxes Incurred		194,128
NET INCOME (LOSS)	**$**	**132,931,838**

RECONCILIATION OF CAPITAL AND SURPLUS

Changes from January 1, 2020 to December 31, 2024

($000s omitted)

	2020	**2021**	**2022**	**2023**	**2024**
Capital and Surplus, Beginning of Year	$ 247,320	$ 252,551	$ 273,551	$ 275,959	$ 303,332
Net Income (Loss)	19,895	12,148	17,881	23,557	132,932
Change in Net Unrealized Capital Gains (Losses) Less Capital Gains Tax	(12,094)	8,839	(14,539)	(919)	(21,222)
Change in Nonadmitted Assets	(2,570)	12	(847)	4,648	(5,203)
Change in Provision for Reinsurance	0	0	(87)	87	0
Net Change in Capital and Surplus	5,231	20,999	2,408	27,374	106,507
Capital and Surplus, End of Year	**$ 252,551**	**$ 273,551**	**$ 275,959**	**$ 303,332**	**$ 409,840**

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

Effective January 1, 2025, the Company changed its name from Missouri Employers Mutual Insurance Company to MEM Mutual Insurance Company.

Effective January 1, 2025, the Company, previously a public corporation, converted to a private mutual insurance company operating under Chapter 379, RSMo (Insurance Other Than Life).

Effective January 1, 2025, the Voting Trust Agreement between Previsor and Simmons Bank, the Trustee, dissolved with MEM Mutual gaining control of the voting rights of Previsor stock. As a result of the transaction, Previsor became a wholly owned and controlled affiliate of MEM.

Effective January 1, 2025, the Company entered into an Intercompany Pooling Reinsurance Agreement with its five insurance subsidiaries, MEM Preserve, MEM Protect, MEM Secure, MEM Shield, and Previsor. Under the agreement, the Company assumes 100 percent of the insurance operations of these companies.

Effective July 1, 2025, the Company entered into a Loss Portfolio Reinsurance Agreement with SNCC that transferred to SNCC 100 percent of the losses paid or payable by MEM Mutual or Previsor on losses arising from policies written or issued by these companies during 2024 up to an aggregate limit of $130 million. The Company paid SNCC $83,020,000 in cash as consideration for the transaction.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of MEM Mutual Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, James Simmerman, CFE, CFP, CPCU, ARM, EdD, Ethan Adrian, APIR, and Rebecca Edwards, AFE, APIR, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, 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 MEM 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.

Brian D. Hammann

Brian D. Hammann, CFE, CPA
Examiner-In-Charge
Missouri Department of Commerce and Insurance

Conner Nilges

Conner Nilges, CFE
Examiner-In-Charge
Missouri Department of Commerce and Insurance

Sworn to and subscribed before me this 18th day of February, 2026.

My commission expires: May 18, 2028 Kim Landers
Notary Public

KIM LANDERS
MY COMMISSION EXPIRES
5-18-2028
NOTARY SEAL
#12558402
CALLAWAY COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

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