



DEPARTMENT OF COMMERCE & INSURANCE

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

ORDER

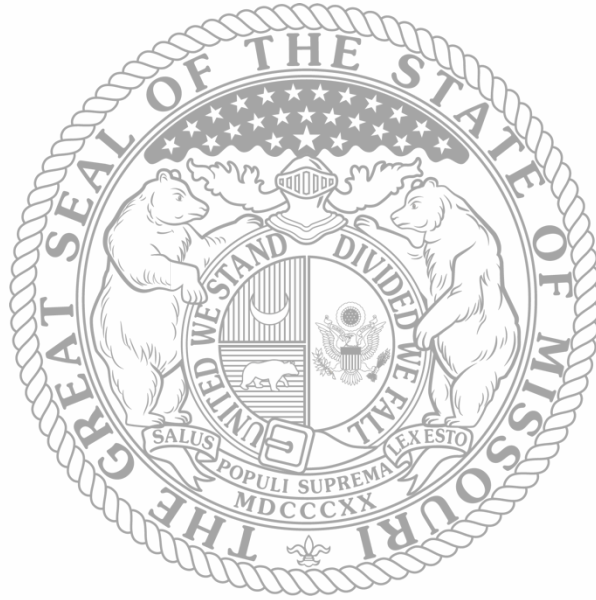
After full consideration and review of the report of the financial examination of The Bar Plan Surety and Fidelity Company for the period ended December 31, 2024, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Angela L. Nelson, Director of 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 The Bar Plan Surety and Fidelity Company as of December 31, 2024, be and is hereby ADOPTED as filed and for The Bar Plan Surety and Fidelity 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 23rd day of March, 2026.



Angela L. Nelson, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

THE BAR PLAN SURETY AND FIDELITY COMPANY

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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St. Louis, MO
February 13, 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

The Bar Plan Surety and Fidelity Company (NAIC #10966)

hereinafter referred to as such, as BPSF, or as the Company. Its administrative office is located at 622 Emerson Road, Suite 100, St. Louis, Missouri 63141, telephone number (314) 965-3333. The fieldwork for this examination began on April 21, 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 The Bar Plan Surety and Fidelity Company. The last examination of the Company by the Department covered the period of January 1, 2017, 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 BPSF included Claims & Reserving, Investments, Premiums & Underwriting, Reinsurance, Related Parties, Capital & Surplus, and Expenses. The examination also included a review and evaluation of information technology general controls.

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 balance sheet or income statement identified during the examination.

COMPANY HISTORY

General

The Company was incorporated in Missouri on August 14, 1998. The Company began operations on February 5, 1999.

Mergers, Acquisitions, and Major Corporate Events

No mergers, acquisitions or other major corporate events occurred during the examination period.

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 are elected by the shareholders. The Company's Bylaws specify that there shall be nine members. The Board of Directors elected and serving as of December 31, 2024, were as follows:

<u>Name and Address</u>	<u>Principal Occupation and Business Affiliation</u>
Micah Hall Matthews, North Carolina	Managing Attorney The Hall Law Firm, LLC
John Gunn St. Louis, Missouri	Attorney The Gunn Law Firm, P.C.
Vanita Massey Overland Park, Kansas	Attorney The Law Office of Vanita Massey
Thomas Watson Verona, Wisconsin	Senior Vice President and Director of Communications Wisconsin Lawyers Mutual Insurance Company
Ray Williams West Plains, Missouri	Member Williams Law Offices, LLC
Phillip Fraim Edmond, Oklahoma	President Oklahoma Attorneys Mutual Insurance Company
Kimberly Edgar Foristell, Missouri	Vice President of Surety Underwriting The Bar Plan Mutual Insurance Company
Adam Pierce Wake Forest, North Carolina	Director of Property & Casualty Operations Lawyers Mutual Liability Insurance Company
Karen McCarthy Ladue, Missouri	Chief Executive Officer The Bar Plan Mutual Insurance Company

Senior Officers

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

<u>Name</u>	<u>Office</u>
Karen McCarthy	President
Phillip Fraim	Secretary
Vanita Massey	Treasurer
Patrick O'Leary	Assistant Secretary
Tina Daniels	Assistant Treasurer
Teresa Niederwimmer	Vice President
Kimberly Edgar	Vice President

Principal Committees

The Company's Bylaws give the Board of Directors the power to establish a committee. The Bylaws permit the establishment of a committee through a majority vote of its directors. The Company's existing committees and membership at December 31, 2024 were as follows:

Audit Committee

Phillip Fraim - Chair
Vanita Massey
John Gunn

Finance Committee

John Gunn - Chair
Micah Hall
Thomas Watson
Adam Pierce

Corporate Records

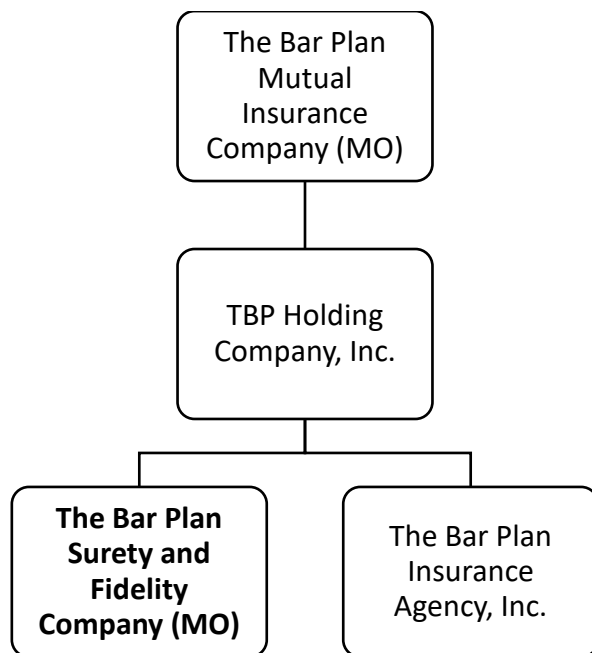
The Company's Articles of Incorporation and Bylaws were reviewed. There were no revisions to either document during the examination period. The minutes of the Board of Directors, committees, and shareholders were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates

BPSF is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). An Insurance Holding Company Registration Statement was filed for BPSF each year of the examination period. BPSF is ultimately controlled by the policyholders of The Bar Plan Mutual Insurance Company (BPM).

Organizational Chart

The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2024.



All subsidiaries are fully owned unless noted otherwise.

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:

Tax Allocation Agreement: The agreement, effective November 9, 1998, is between BPSF, BPM, and the other affiliated members of The Bar Plan Holding Company. Per the terms of the agreement, each party is responsible for its own taxes incurred, credits gained and professional fees.

Quota Share Reinsurance Agreement: The agreement, effective January 1, 2021, is between BPSF and BPM. Per the terms of the agreement, BPSF cedes 100% of its premiums and losses on all new and in-force bonds to BPM. BPM pays a 17.5% ceding commission to BPSF.

TERRITORY AND PLAN OF OPERATION

The Company is licensed under Chapter 379 RSMo (Insurance Laws Other Than Life) to write fidelity and surety insurance in Missouri. At year-end 2024, the Company was also licensed in five other states: Connecticut, Illinois, Kansas, Oklahoma, and New Hampshire. The Company writes court fiduciary bonds and court guarantee judicial bonds on an occurrence basis. The Company produces business through direct marketing and independent agents. The majority of the Company's business is written in Connecticut (50.3%) and Missouri (40.1%).

GROWTH OF COMPANY AND LOSS EXPERIENCE

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	\$ 547	\$ 49	\$ 5,131	0.11
2021	0	(547)	5,186	0.00
2022	0	0	4,987	0.00
2023	0	0	5,171	0.00
2024	0	0	5,453	0.00

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	\$ 546	\$ 82	0.15
2021	0	(15)	0.00
2022	0	0	0.00
2023	0	0	0.00
2024	0	0	0.00

As noted in the tables above, net premiums were reduced to zero in 2021 and subsequent years as a result of the 100% quota share reinsurance agreement previously described in the Intercompany Transactions section of this report.

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	\$ 1,214	\$ 708	\$ 526	\$ 379	\$ 358
Reinsurance Assumed:					
Affiliates	0	0	0	0	0
Non-Affiliates	0	0	0	0	0
Reinsurance Ceded:					
Affiliates	0	708	526	379	358
Non-Affiliates	667	0	0	0	0
Net Premiums Written	\$ 547	\$ 0	\$ 0	\$ 0	\$ 0

Assumed Reinsurance

The Company did not assume any premiums during the period under examination.

Ceded Reinsurance

Effective January 1, 2021, the Company entered into a reinsurance agreement with its ultimate parent, BPM. Under the agreement, the Company cedes 100% of its premiums and losses on all new and in-force bonds to the Company. In return, the Company receives a ceding commission of 17.5%.

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

Beginning in 2023, the Company received an exemption from the Department for filing its annual Audited Financial Statement.

The certified public accounting (CPA) firm, Armanino LLP, in St. Louis, Missouri, performed the statutory audit of the Company for the years 2020 through 2022. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion

Beginning in 2023, the Company received an exemption from the Department for filing its annual Actuarial Opinion.

The Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items was issued by Charles C. Emma, FCAS, MAAA, for 2020 through 2022. Mr. Emma is employed by Risk International Services, LLC in St. Charles, Illinois.

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 the Bar Plan Group to determine the adequacy of loss reserves and LAE reserves. Ms. Fitzgerald determined that the Group 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, AES, CISA, Information Systems Financial Examiner-in-Charge with the Department, conducted a review of 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 The Bar Plan Surety & Fidelity 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	\$ 3,388,438	\$	\$ 3,388,438
Stocks:			
Common Stocks	2,059,766	3,726	2,056,040
Cash, Cash Equivalents, and Short-Term Investments	171,602		171,602
Investment Income Due and Accrued	20,646		20,646
Premiums and Considerations:			
Uncollected Premiums and Agents' Balances in the Course of Collection	73,157	57,548	15,609
Reinsurance:			
Amounts Recoverable from Reinsurers	1,560		1,560
Current Federal and Foreign Income Tax Recoverable and Interest Thereon	8,282		8,282
TOTAL ASSETS	\$ 5,723,451	\$ 61,274	\$ 5,662,177

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2024

Commissions Payable, Contingent Commissions, and Other Similar Charges	\$ 1,026
Other Expenses	1,074
Taxes, Licenses, and Fees	(1,751)
Net Deferred Tax Liability	68,046
Advance Premiums	3,673
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)	34,016
Amounts Withheld or Retained by Company for Account of Others	91,558
Payable to Parent, Subsidiaries, and Affiliates	5,691
Aggregate Write-Ins for Liabilities	5,474
TOTAL LIABILITIES	\$ 208,807
Common Capital Stock	1,500,000
Gross Paid In and Contributed Surplus	2,167,549
Unassigned Funds (Surplus)	1,785,821
TOTAL CAPITAL AND SURPLUS	\$ 5,453,370
TOTAL LIABILITIES AND SURPLUS	\$ 5,662,177

STATEMENT OF INCOME
For the Year Ended December 31, 2024

Premiums Earned	\$ 0
DEDUCTIONS:	
Losses Incurred	0
Loss Adjustment Expenses Incurred	0
Other Underwriting Expenses Incurred	79,824
Aggregate Write-Ins for Underwriting Deductions	0
Total Underwriting Deductions	\$ 79,824
Net Income of Protected Cells	0
Net Underwriting Gain (Loss)	\$ (79,824)
Net Investment Income Earned	107,286
Net Realized Capital Gains	30,915
Net Investment Gain (Loss)	\$ 138,201
Net Gain (Loss) from Agents' or Premium Balances Charged Off	0
Finance and Service Charges Not Included in Premiums	0
Aggregate Write-Ins for Miscellaneous Income	60
Federal and Foreign Income Taxes Incurred	(2,233)
NET INCOME (LOSS)	\$ 56,204

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	\$ 4,967	\$ 5,131	\$ 5,186	\$ 4,987	\$ 5,171
Net Income (Loss)	189	49	(24)	(22)	56
Change in Net Unrealized					
Capital Gains (Losses)					
Less Capital Gains Tax	(2)	24	(96)	123	204
Change in Net Deferred					
Income Tax	4	(12)	19	(15)	(12)
Change in Nonadmitted					
Assets	(28)	(6)	(97)	98	35
Net Change in Capital and					
Surplus	164	55	(198)	183	283
Capital and Surplus, End					
of Year	\$ 5,131	\$ 5,186	\$ 4,987	\$ 5,171	\$ 5,453

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

There were no significant subsequent events noted from December 31, 2024, through the date of the report.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of The Bar Plan Surety & Fidelity Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Conner Nilges, CFE, Examiner-In-Charge, and Justin Lamb, MBA, and Ken Tang, CFE, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

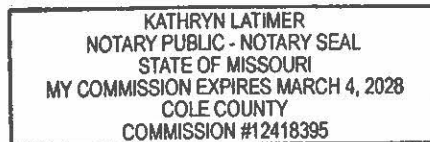
State of Missouri)
) ss
 County of Cole)

I, Joshua Nash, 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 The Bar Plan Surety & Fidelity 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.


 Joshua Nash, CPA. CFE
 Examiner-In-Charge
 Missouri Department of Commerce and
 Insurance

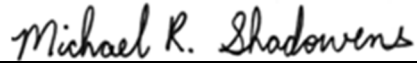
Sworn to and subscribed before me this 18th day of February 2026.

My commission expires: March 4, 2028 Kathryn Latimer
 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 Shadowens, CFE
Assistant Chief Financial Examiner
Missouri Department of Commerce and
Insurance