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 Farmers Mutual Insurance Company of Dade County, Missouri 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 Farmers Mutual Insurance Company of Dade County, Missouri 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 March, 2026.

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

FARMERS MUTUAL INSURANCE COMPANY OF DADE COUNTY, MISSOURI

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Lockwood, MO
February 10, 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

Farmers Mutual Insurance Company of Dade County, Missouri

hereinafter referred to as such, or as the Company. Its administrative office is located at 810 S Main St, Lockwood, MO 65682, telephone number (417) 232-4593. The fieldwork for this examination began on January 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 Farmers Mutual Insurance Company of Dade County, Missouri. 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 May 9, 1892, as Farmers Mutual Insurance Company of Dade County, Missouri. In 1975, the Company was merged with Farmers Mutual Insurance Company of Wright County, with Farmers Mutual Insurance Company of Dade County, Missouri being the surviving entity.

The Company has a Certificate of Authority dated July 1, 1991, and is covered by Sections380.201 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 Friday 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 at any time or by petition of one fourth of the members. Ten members represented 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 seven members, serving staggered three-year terms. All directors must be policyholders of the Company. The Board of Directors meets approximately twelve times per year.

Name and Address	Occupation
Larry Kenney Everton, Missouri	Retired Mechanic
Sherri Wise Greenfield, Missouri	Company Manager/Secretary
Larry Witt Dadeville, Missouri	Retired Farmer/School Bus Driver
Stephen Richter Greenfield, Missouri	Farmer
Jerry Glenn Everton, Missouri	Farmer
Dale Grisham Lockwood, Missouri	Retired Farmer
Chance Kleeman Lockwood, Missouri	Fence Builder/Farmer

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

Name	Office
Larry Kenney	President
Stephen Richter	Vice President
Larry Witt	Treasurer
Sherri Wise	Secretary

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 four full-time employees. The benefits package offered by the Company includes health, dental, vision, accidental death & dismemberment, life insurance, IRA contributions, and paid time off.

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 policies are sold by fourteen independent agents, who receive a 17% commission on all property insurance written and 15% on all liability insurance written, new and renewal.

Policy Forms and Underwriting Practices
The Company utilizes American Association of Insurance Services (AAIS) policy forms as well as custom forms approved by the Department. The policies are written for one year and are continuous. Property inspections are performed by an employee inspector and a contracted inspector. Claims adjusting is performed by a contracted adjuster. 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	$ 4,107	$ 1,705	$ 4,173	$ 3,514	$ 200	$ (853)	$ (547)
2023	4,559	1,610	3,847	2,255	163	(362)	(198)
2022	4,687	1,539	3,692	1,827	75	120	150
2021	4,645	1,647	3,511	1,058	63	747	735
2020	3,780	1,517	3,465	2,015	80	(209)	(128)

At year-end 2024, there were 3,261 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	$ 3,465	$ 3,511	$ 3,692	$ 3,847	$ 4,173
Reinsurance Assumed:	28	29	29	28	29
Reinsurance Ceded:	(815)	(762)	(797)	(821)	(907)
Net Premiums Written	**$ 2,678**	**$ 2,778**	**$ 2,924**	**$ 3,054**	**$ 3,295**

Assumed Reinsurance

MAMIC Mutual Insurance Company (MAMIC) issues direct policies to insure agents' errors and omissions liability and directors' and officers' liability risks for various mutual insurance companies, including the Farmers Mutual Insurance Company of Dade County, Missouri. All of the policy risks insured by MAMIC for these two products are pooled and ceded to participating mutual insurance companies. The Company has a 5% share in the interests and liabilities of the pool.

Ceded Reinsurance

The Company's property and casualty reinsurance is placed with multiple participating reinsurers (reinsurer) through intermediary Guy Carpenter & Company, Inc. Coverage includes per risk excess of loss and aggregate excess of loss agreements for property risks and a quota share agreement for casualty risks.

Under the per risk excess of loss agreement, the Company retains $125,000 per property risk and the reinsurer covers 100% of the excess, limited to $500,000 each loss and further limited to $1 million per occurrence.

Under the aggregate excess of loss agreement, the Company's annual aggregate net retention, or attachment point, is equal to 69% of Company's gross net earned premium. The reinsurer is responsible for 100% of ultimate net losses in excess of the attachment point, subject to a limit of liability of $9,220,000 of gross net earned premium income.

Under the casualty quota share reinsurance agreement, the Company cedes 100% of the casualty risks and premium to the reinsurer, subject to a maximum cession of $1,000,000, and receives a 25% ceding commission.

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

The accounting records are maintained by the Company on a cash basis. The accounting firm of Williams & Associates, of Lamar, Missouri, compiles the Company's financial statements and prepares the Company's annual statement and tax filings. The Certified Public Accounting firm of Troutt, Beeman & Co., P.C. of Harrisonville, Missouri, performs and annual audit of the Company's financial statements.

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 Farmers Mutual Insurance Company of Dade County, Missouri 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	$	869,661
Real Estate – Book Value		12,162
Cash on Deposit		2,124,909
Other Investments		519,596
Reinsurance Recoverable on Paid Losses		409,586
Federal Income Tax Recoverable		46,013
Interest Due and Accrued		38,302
Prepaid Insurance		11,989
Prepaid Reinsurance Premium		74,404
TOTAL ASSETS	**$**	**4,106,622**

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

Unpaid Losses	$	1,139
Ceded Reinsurance Premium Payable		76,764
Unearned Premium		1,573,256
Payroll Tax		4,837
Accounts Payable to Agents		44,091
Accounts Payable (Other)		1,356
Premium Tax Payable		3,286
TOTAL LIABILITIES	**$**	**1,704,729**
Guaranty Fund		150,000
Other Surplus		2,251,893
TOTAL POLICYHOLDER SURPLUS	**$**	**2,401,893**
TOTAL LIABILITIES AND SURPLUS	**$**	**4,106,622**

STATEMENT OF INCOME

For the Year Ended December 31, 2024

Net Earned Assessment/Premium Income	$	3,154,352
Other Insurance Income		182,853
Net Losses & Loss Adjustment Expense		2,810,712
Underwriting Expenses		1,379,052
Underwriting Income (Loss)	**$**	**(852,559)**
Investment Income		201,607
Investment Expenses		-
Interest Expenses		1,519
Net Investment Gain (Loss)	**$**	**200,088**
Other Income		22,009
Gross Profit or Loss	**$**	**(630,462)**
Federal Income Tax		(83,046)
NET PROFIT OR (LOSS)	**$**	**(547,416)**

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	$ 2,391	$ 2,263	$ 2,998	$ 3,148	$ 2,949
Net Profit or (Loss)	(128)	735	150	(198)	(547)
Ending Policyholder's Surplus	**$ 2,263**	**$ 2,998**	**$ 3,148**	**$ 2,949**	**$ 2,402**

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 Farmers Mutual Insurance Company of Dade County, Missouri 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 Farmers Mutual Insurance Company of Dade County, Missouri, 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 10th day of February 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