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 Hickory County Farmers 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 Hickory County Farmers 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 22nd day of June, 2026.

MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

HICKORY COUNTY FARMERS MUTUAL INSURANCE COMPANY

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

Hermitage, MO
May 18, 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

Hickory County Farmers Mutual Insurance Company

hereinafter referred to as such, or as the Company. Its administrative office is located at 23646 Polk Street, Hermitage, MO 65668, telephone number (417) 745-6722. The fieldwork for this examination began on April 23, 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 Hickory County Farmers 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 May 27, 1892, as Farmers Mutual Aid Society of Hickory County. The Company changed its name to Hickory County Farmers Mutual Insurance Company on March 27, 1999. The Company has a Certificate of Authority dated September 14, 2017, 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 fourth Saturday of March each year at the home office of the Company or at such other place as may be designated by the Board of Directors. Special meetings of the members may be called by the Board of Directors upon a two-thirds majority vote of the full Board or upon petition of one-fourth of the membership. Eight 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 four-year terms. All directors must be policyholders of the Company. The Board of Directors meets approximately eleven times per year.

Name and Address	Occupation
Robb Pitts Hermitage, Missouri	Farmer
Jessica Sawyer Wheatland, Missouri	Enrolled Agent/Accountant
Larry Wilson Flemington, Missouri	Retired State Representative
Teresa Bybee Preston, Missouri	Retired Mutual Company Manager
Mike Barclay Urbana, Missouri	Retired Teacher
John Moore Urbana, Missouri	Retired Payroll Department Employee
Kelly Nunn Urbana, Missouri	Farmer

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

Name	Office
Robb Pitts	President
Jessica Sawyer	Vice President
Kimberly Ersland	Secretary/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 five full-time employees. The Company provides full-time employees with health insurance and life insurance and offers access to dental, short-term disability, and long-term disability insurance. Employees receive paid vacation, paid holidays, and paid sick leave. The Company also makes matching contributions to retirement accounts, and employees participate in a Company profit-sharing plan.

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 80 independent agents within 30 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/adjuster and overflow inspections are done by a contracted inspector. Claim adjustments are performed by both the Company and independent adjusters. 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	$ 7,469	$ 4,287	$ 6,533	$ 3,117	$ 175	$ 9	$ 159
2023	5,854	2,831	5,753	4,317	136	(145)	(48)
2022	5,151	2,081	4,999	2,916	79	(181)	(101)
2021	5,027	1,853	4,744	2,095	62	763	650
2020	4,370	1,845	4,486	2,135	53	450	423

At year-end 2024, there were 4,727 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	$ 4,486	$ 4,744	$ 4,999	$ 5,753	$ 6,533
Reinsurance Assumed:	-	-	-	-	-
Reinsurance Ceded:	(1,850)	(2,073)	(2,215)	(2,368)	(2,868)
Net Premiums Written	**$ 2,636**	**$ 2,671**	**$ 2,784**	**$ 3,385**	**$ 3,665**

Assumed Reinsurance

The Company does not reinsure other companies.

Ceded Reinsurance

The Company's property and casualty reinsurance is placed through intermediary Guy Carpenter & Company, Inc. and consists of various agreements with multiple participating reinsurers (reinsurer).

Property losses are covered under a multiline excess of loss agreement, a property first surplus agreement, and a property facultative pro rata agreement. Under the multiline excess of loss agreement, the Company retains $100,000 per risk, and the reinsurer covers 100% of the excess, limited to $50,000. Under the property first surplus reinsurance agreement, the Company has a minimum retention of $15,000 per risk, and the reinsurer is responsible for six times the Company's net retained liability, subject to a maximum cession of $600,000. Under the property facultative pro rata agreement, the Company has a minimum retention of $15,000, and the maximum cession is limited to $275,000.

Liability losses are covered under a multiline excess of loss agreement and an umbrella facultative agreement. Under the multiline excess of loss agreement, the Company retains $100,000 per occurrence, and the reinsurer covers 100% of the excess, limited to $1,065,000 per occurrence. Under the umbrella facultative agreement, the reinsurer accepts a 95% share of losses up to $1 million.

Both property and casualty business is covered under an aggregate excess of loss agreement. Under the agreement, the reinsurer covers 100% of 300%, in excess of 70% of the subject net premiums.

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 an accrual basis. The Certified Public Accountant (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 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 Hickory County Farmers 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 – Book Value	$	2,722,233
Stocks		1,500
Mutual Funds		20,741
Real Estate – Book Value		95,826
Cash on Deposit		1,904,408
Premium/Assessments/Agent's Balances Uncollected		886,464
Reinsurance Recoverable on Paid Losses		1,785,154
Computer Equipment (Hardware Only)		2,063
Federal Income Tax Recoverable		14,407
Interest Due and Accrued		28,497
Prepaid Insurance		7,706
TOTAL ASSETS	**$**	**7,468,999**

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

Gross Losses Unpaid, Less Reinsurance Recoverable	$	69,010
Ceded Reinsurance Premium Payable		1,563,946
Unearned Premiums		2,160,205
Federal Income Tax Payable		39,664
Payroll Tax		1,982
Accounts Payable to Agents		145,691
Accounts Payable (Other)		156,287
Members Funds Held In Suspense		1,737
Advance Premiums Received		100,516
Bank Overdrafts		31,140
Accrued Employee Profit Sharing		16,341
TOTAL LIABILITIES	**$**	**4,286,519**
Guaranty Fund		205,000
Other Surplus		2,977,480
TOTAL POLICYHOLDER SURPLUS	**$**	**3,182,480**
TOTAL LIABILITIES AND SURPLUS	**$**	**7,468,999**

UNDERWRITING AND INVESTMENT EXHIBIT

For the Year Ended December 31, 2024

Net Earned Assessment/Premium Income	$	3,372,228
Other Insurance Income		521,843
Net Losses & Loss Adjustment Expense		(1,873,402)
Underwriting Expenses		(2,011,629)
Underwriting Income (Loss)	**$**	**9,040**
Investment Income		175,503
Investment Expenses		(79)
Interest Expense		(84)
Net Investment Income (Loss)	**$**	**175,340**
Other Income		4,599
Gross Profit (Loss)	**$**	**188,979**
Federal Income Tax		29,513
NET INCOME (LOSS)	**$**	**159,466**

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	$ 2,091	$ 2,525	$ 3,175	$ 3,070	$ 3,023
Change in Unrealized Gains (Losses)	10	-	(3)	1	-
Net Profit or (Loss)	423	650	(101)	(48)	159
Ending Policyholder's Surplus	**$ 2,525**	**$ 3,175**	**$ 3,070**	**$ 3,023**	**$ 3,182**

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 Hickory County Farmers 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 Hickory County Farmers 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 21st 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