



## DEPARTMENT OF COMMERCE & INSURANCE

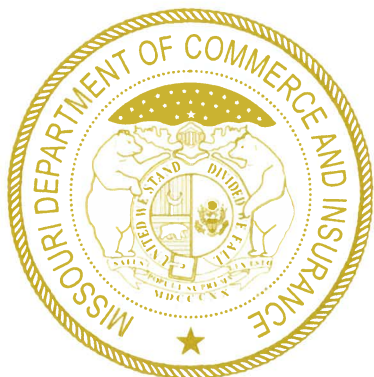
P.O. Box 690, Jefferson City, Mo. 65102-0690

### ORDER

After full consideration and review of the report of the financial examination of Legacy Life Insurance Company of Missouri for the period ended December 31, 2023, 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.

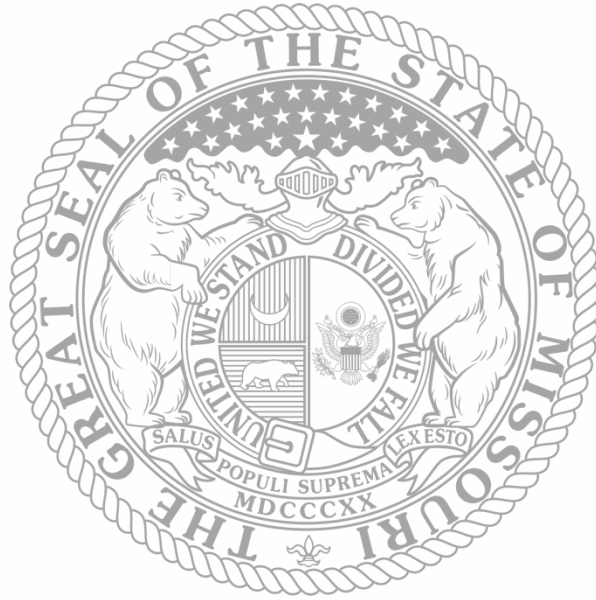
Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Legacy Life Insurance Company of Missouri as of December 31, 2023, be and is hereby ADOPTED as filed and for Legacy Life Insurance Company of Missouri to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed 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 17<sup>th</sup> day of April, 2025.



A handwritten signature in blue ink, reading "Angela L. Nelson", is written over a horizontal line.

Angela L. Nelson, Director  
Department of Commerce and Insurance



REPORT OF  
FINANCIAL EXAMINATION OF

# LEGACY LIFE INSURANCE COMPANY OF MISSOURI

AS OF  
DECEMBER 31, 2023

STATE OF MISSOURI  
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

## TABLE OF CONTENTS

<b>SCOPE OF EXAMINATION.....</b>	<b>1</b>
PERIOD COVERED.....	1
PROCEDURES.....	1
<b>SUMMARY OF SIGNIFICANT FINDINGS.....</b>	<b>2</b>
<b>COMPANY HISTORY.....</b>	<b>2</b>
GENERAL.....	2
MERGERS, ACQUISITIONS, AND MAJOR CORPORATE EVENTS .....	2
DIVIDENDS AND CAPITAL CONTRIBUTIONS .....	2
SURPLUS NOTES.....	2
<b>MANAGEMENT AND CONTROL.....</b>	<b>3</b>
BOARD OF DIRECTORS .....	3
SENIOR OFFICERS .....	4
PRINCIPAL COMMITTEES .....	4
CORPORATE RECORDS.....	4
HOLDING COMPANY, SUBSIDIARIES, AND AFFILIATES.....	4
ORGANIZATIONAL CHART .....	5
INTERCOMPANY TRANSACTIONS .....	5
<b>TERRITORY AND PLAN OF OPERATION.....</b>	<b>6</b>
<b>GROWTH OF COMPANY AND LOSS EXPERIENCE.....</b>	<b>6</b>
<b>REINSURANCE.....</b>	<b>7</b>
GENERAL.....	7
ASSUMED REINSURANCE .....	7
CEDED REINSURANCE.....	7
<b>ACCOUNTS AND RECORDS .....</b>	<b>7</b>
INDEPENDENT AUDITOR AND ACTUARIAL OPINION .....	7

CONSULTING ACTUARY .....	7
INFORMATION SYSTEMS .....	7
<b>FINANCIAL STATEMENTS.....</b>	<b>8</b>
ASSETS.....	9
LIABILITIES, SURPLUS AND OTHER FUNDS.....	9
SUMMARY OF OPERATIONS.....	10
RECONCILIATION OF CAPITAL AND SURPLUS .....	10
<b>COMMENTS ON FINANCIAL STATEMENT ITEMS .....</b>	<b>11</b>
<b>FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION .....</b>	<b>11</b>
<b>SUMMARY OF RECOMMENDATIONS.....</b>	<b>11</b>
<b>SUBSEQUENT EVENTS.....</b>	<b>11</b>
<b>ACKNOWLEDGMENT .....</b>	<b>12</b>
<b>VERIFICATION.....</b>	<b>12</b>
<b>SUPERVISION .....</b>	<b>13</b>

Jefferson City, MO  
February 18, 2025

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

**Legacy Life Insurance Company of Missouri (NAIC #10236)**

hereinafter referred to as such, as LLIC, or as the Company. Its administrative office is located at 701 South Country Club Drive, Jefferson City, Missouri, 65109, telephone number (573) 893-1400. This examination began on February 27, 2024, 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 LLIC. The last examination of the Company covered the period of December 28, 2016, through December 31, 2018. This examination covers the period of January 1, 2019, through December 31, 2023, 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 LLIC included cash and investments, reinsurance, claims handling and reserving, related party, and premiums and underwriting. The examination also included a review and evaluation of information technology general controls.

This examination was performed concurrently with the Department's examinations of LLIC's parent companies, Farm Bureau Town & Country Insurance Company of Missouri (FBTC), Farm Bureau Life Insurance Company of Missouri (FBL) and LLIC's affiliate, New Horizons Insurance Company of Missouri (NH). The insurance entities are collectively referred to as the "Missouri Farm Bureau Companies" or "Companies" in this report.

This examination report includes significant findings of fact, as mentioned in section 374.205 of the Revised Statutes of Missouri (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**

LLIC was incorporated on December 20, 2016, under the laws of the state of Missouri and commenced business on December 30, 2016. The Company operates as a stock life and health insurer under the insurance laws of Chapter 376 RSMo (Life, Health and Accident Insurance).

#### **Mergers, Acquisitions, and Major Corporate Events**

There were no mergers or acquisitions involving the Company or the holding company system of the ultimate parent, Missouri Farm Bureau Federation (MFB-Federation), during the examination period.

#### **Dividends and Capital Contributions**

There were no dividends paid or capital contributions received 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, which are appointed by the shareholders, FBTC and FBL. The Company's Bylaws specify that the Board of Directors shall consist of ten directors, a vice president and a president, for a total of twelve voting members. The Directors of the ultimate parent, MFB-Federation, simultaneously serve as directors for all of MFB-Federation, including LLIC. The Board of Directors appointed and serving, as of December 31, 2023, were as follows:

<b><u>Name and Address</u></b>	<b><u>Principal Occupation and Business Affiliation</u></b>
Dana Lane St. Catherine, MO	Retired Elementary School Teacher
Garrett Hawkins Appleton City, MO	President, Missouri Farm Bureau companies
Amy Estes Rosebud, MO	Regional Manager, Ayusa
Duane Kaiser Monett, MO	Self-Employed, Farmer
Sharon Arnold Drexel, MO	Branch Manager, Hawthorn Bank
Jason Kurtz Oregon, MO	Self-Employed, Farmer
Todd Hays Monroe City, MO	Vice-President of MFB-Federation
Stanley Coday Seymour, MO	Self-Employed, Farmer
Andy Clay Jamestown, MO	Self-Employed, Farmer
Brian Koenig Perryville, MO	Self-Employed, Farmer
Drew Lock La Plata, MO	Self-Employed, Farmer
Christopher Brundick Argyle, MO	Self-Employed, Farmer

**Senior Officers**

The officers elected by the Board of Directors and serving as of December 31, 2023, were as follows:

<b><u>Name</u></b>	<b><u>Office</u></b>
Garrett Hawkins	President
Todd Hays	Vice-President
Blake Rollins	Secretary and Chief Administrative Officer
Jana Oliver	Treasurer and Chief Financial Officer

**Principal Committees**

The Missouri Farm Bureau Companies share three Board committees - the Audit Committee, the Compensation Committee, and the Per Diem and Expense Committee. Each Board committee consists of four individuals who are members of the Board of Directors. Additionally, the Companies share five management committees: Investment Committee, Personnel Committee, Reinsurance Committee, Management Committee and 401(k) Committee. The management committees consist of management and staff members from all areas of the Companies.

**Corporate Records**

LLIC'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' meetings, committee meetings, and shareholder meetings were reviewed for the period under examination.

**Holding Company, Subsidiaries, and Affiliates**

The Company is a member of an Insurance Holding Company System, as defined by section 382.010, RSMo (Definitions). MFB-Federation, the ultimate parent company of the holding group, is a not-for-profit membership group that promotes the interests of its member farmers and the agriculture industry. MFB-Federation offers members insurance coverage through its varied affiliates organized under a shared services holding company, MFB-Services. Under the terms of a service agreement, MFB-Services provides management, administrative, office, and data processing services to its subsidiaries, including LLIC.

Below is a description of the business operations of affiliated entities:

- **Farm Bureau Life Insurance Company of Missouri** – FBL is a life insurance company that offers individual whole life, term life, and annuity products.
- **Farm Bureau Town & Country Insurance Company of Missouri** – FBTC is property and casualty insurer that writes primarily homeowners, farmowners, automobile physical damage and automobile liability lines of business.
- **New Horizons Insurance Company of Missouri** – NH compliments FBTC by offering additional products, services, and coverages to the non-standard market through an existing captive agency force. In recent years, NH broadened its marketing efforts to develop products and services to appeal to the Spanish-speaking market demographic in Missouri and in expansion states. Product offerings in states other than Missouri are marketed directly to the consumer via electronic platforms.
- **Missouri Farm Bureau Insurance Brokerage, Inc.** (MFB-Brokerage) – MFB-Brokerage manages the Missouri Farm Bureau Companies' exclusive multi-line agency workforce. Any risks for lines of business not written by the Companies are placed with third-party insurers. Coverages offered range from workers' compensation, non-standard

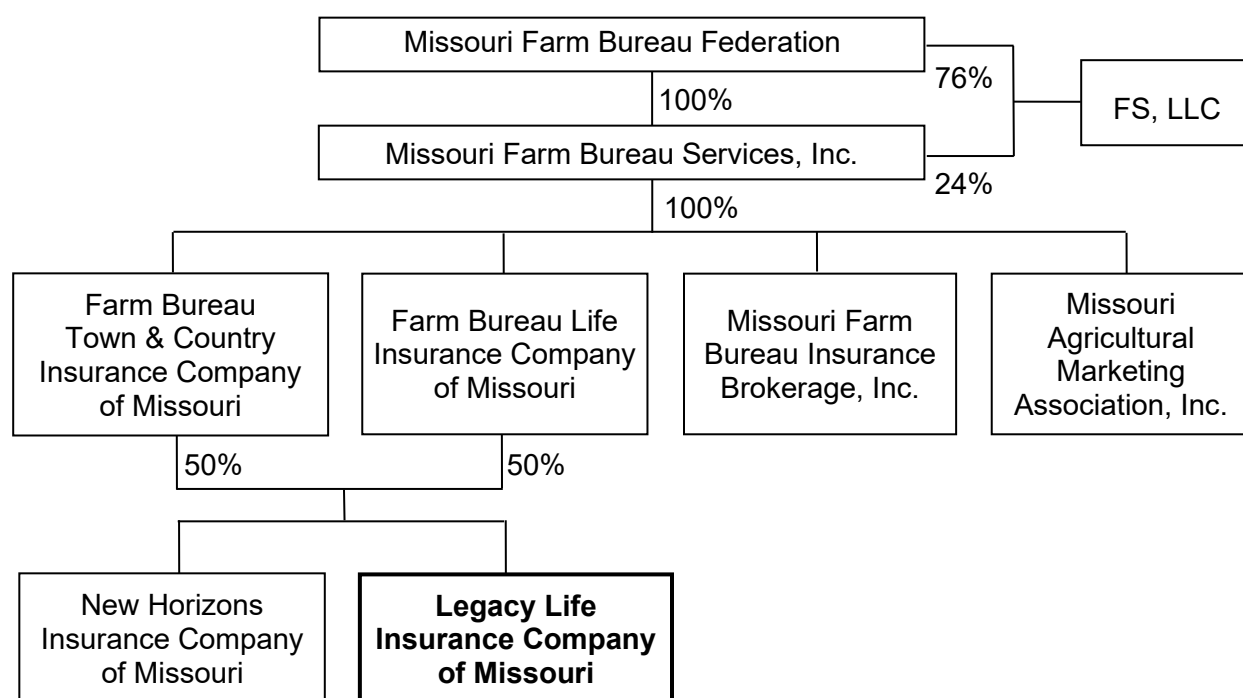


automobile, professional liability, individual and group health products, disability, Medicare supplements, long-term care, and many specialty coverages.

- **Missouri Agricultural Marketing Association, Inc.** – A dormant entity that had no business operations during the examination period.
- **FS, LLC** – An entity formed in 2006 for the sole purpose of holding ownership to the main office building in Jefferson City, Missouri. Ownership of the building was transferred from MFB-Federation to FS, LLC at the time of its formation to provide tax advantages that could not be utilized by MFB-Federation.

### **Organizational Chart**

The following organizational chart depicts the holding company group as of December 31, 2023. All entities are incorporated / domiciled in Missouri.



### **Intercompany Transactions**

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2023. A brief description of these agreements are as follows:

**Service Agreement:** This agreement, effective January 1, 2018, is between FBL, FBTC, NH, LLIC, MFB-Brokerage, and MFB-Services. Per the agreement, MFB-Services provides administrative, accounting, investment, information technology, customer support, actuarial, and various other services to the parties included in the agreement. Expenses are allocated on an actual cost basis.

**Claims Service Agreement:** This agreement, effective January 1, 2018, is between FBL and LLIC. Per the agreement, FBL provides LLIC with claims adjusting and claims payment services. The fee for claims services is on a per claim basis.

**Cost Sharing Agreement:** This agreement, effective January 1, 2017, is between MFB-Services, MFB-Federation, FBTC, FBL, MFB-Brokerage, NH, and LLIC. Under the terms of the agreement, the entities will share and allocate the following costs: underwriting, sales, sales contests, promotional events, agents' payroll, Partners for Growth Program, and operational expenses.

**Allocation of Consolidated Tax Liability Agreement:** This agreement, effective October 1, 2016, is between MFB-Services, FBTC, FBL, MFB-Brokerage, NH, LLIC, and Missouri Agriculture Marketing Association. Per the agreement, each member of the group agrees to pay its share of the consolidated federal income tax liability as allocated among the members under the rules provided by the Internal Revenue Code.

### **TERRITORY AND PLAN OF OPERATION**

LLIC is licensed in Missouri under Chapter 376 RSMo (Life, Health and Accident Insurance). Additionally, LLIC has been approved to write insurance in Nebraska, Oklahoma, Ohio, and New Mexico. The Company's principal line of business is individual life, offering whole life (non-participating), term life – level and decreasing (non-participating), and graded benefit life (non-participating) products. These products will be marketed to the Spanish-speaking population.

LLIC is currently only writing business in Missouri, with business produced by a captive agency sales force that is either employed by or contracted by its affiliate, MFB-Brokerage. MFB-Brokerage had 292 licensed producers throughout the 114 counties in Missouri as of December 31, 2023. The agents market and distribute products for the Missouri Farm Bureau Companies. Any risks for lines of business not written by the Companies are placed with third-party insurers. Product offerings in states other than Missouri will be marketed directly to the consumer via electronic platforms.

### **GROWTH OF COMPANY AND LOSS EXPERIENCE**

The table below summarizes the Company's growth and loss experience for the period under examination:

*(\$000s omitted)*

<b>Year</b>	<b>Net Premiums</b>	<b>Change in Net Premiums</b>	<b>Benefits and Losses</b>	<b>Capital and Surplus</b>	<b>Ratio of Net Premiums to Surplus</b>	<b>Net Income (Loss)</b>
2019	\$ 81	\$ 29	\$ 31	\$ 6,186	1.3%	\$ 90
2020	97	16	49	6,238	1.6%	54
2021	129	32	80	6,186	2.1%	(46)
2022	129	-	53	6,198	2.1%	13
2023	134	5	45	6,314	2.1%	100

## 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)*

<b>Premium Type</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Direct Premiums Written	\$ 84	\$ 103	\$ 137	\$ 140	\$ 147
Reinsurance Assumed:	-	-	-	-	-
Reinsurance Ceded:					
Affiliates	3	6	9	11	13
<b>Net Premiums Written</b>	<b>\$ 81</b>	<b>\$ 97</b>	<b>\$ 129</b>	<b>\$ 129</b>	<b>\$ 134</b>

### Assumed Reinsurance

The Company does not assume any business.

### Ceded Reinsurance

The Company cedes business to affiliate FBL under two separate agreements. Under the yearly renewal term agreement, the Company cedes term life and whole life policies to FBL on a 100% excess of retention basis. The maximum retention per life is \$15,000, and the maximum policy limit is \$235,000. Under the coinsurance agreement, the Company cedes express life policies to FBL on a 50% coinsurance basis. The maximum retention per life is \$12,500.

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 and Actuarial Opinion

As LLIC only had 491 policies in force as of December 31, 2023, the Department approved the Company's petition for a waiver from filing an Audited Certified Public Accountant (CPA) Report and Statement of Actuarial Opinion and related Certifications and Opinions.

### Consulting Actuary

Pursuant to a contract with the Department, Lisa Parker, ASA, MAAA, of Risk & Regulatory Consulting, LLC, reviewed the underlying actuarial assumptions and methodologies used by LLIC to determine the adequacy of loss reserves and other actuarial items. Ms. Parker determined that the Company made a reasonable provision for the reserves and other actuarial items that were reported in the statutory financial statements as of December 31, 2023.

### Information Systems

The Department also engaged a third-party firm, Examination Resources, LLC (ER), to perform a review of the Group's information technology systems, policies, and procedures. ER's work was completed under the supervision of Kimberly Dobbs, CFE, AES, CISA, Information Systems Examiner-in-Charge for the Department.

**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 Legacy Life Insurance Company of Missouri for the period ending December 31, 2023. 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, 2023

	<b>Assets</b>	<b>Nonadmitted Assets</b>	<b>Net Admitted Assets</b>
Bonds	\$ 5,062,255	\$ -	\$ 5,062,255
Cash, Cash Equivalents, and Short-Term Investments	1,488,024	-	1,488,024
Contract Loans	3,244	-	3,244
Investment Income Due and Accrued	37,415	-	37,415
Premiums and Considerations:			
Deferred Premiums, Agents' Balances and Installments Booked but Deferred and Not Yet Due	35,102	-	35,102
Receivables from Parent, Subsidiaries, and Affiliates	18,144	-	18,144
Aggregate Write-Ins for Other-Than-Invested Assets	2,171	-	2,171
<b>TOTAL ASSETS</b>	<b>\$ 6,646,355</b>	<b>\$ -</b>	<b>\$ 6,646,355</b>

**LIABILITIES, SURPLUS AND OTHER FUNDS**

As of December 31, 2023

Aggregate Reserve for Life Contracts	\$ 255,571
Premiums and Annuity Considerations for Life and Accident and Health	
Contracts Received in Advance	193
Commissions to Agents Due or Accrued	7,609
General Expenses Due or Accrued	26,556
Taxes, Licenses, and Fees Due or Accrued, Excluding Federal Income Taxes	220
Current Federal and Foreign Income Taxes	18,481
Net Deferred Tax Liability	3,894
Unearned Investment Income	83
Amounts Withheld or Retained by Company as Agent or Trustee	249
Remittances and Items Not Allocated	297
Miscellaneous Liabilities:	
Asset Valuation Reserve	18,286
Payable to Parent, Subsidiaries, and Affiliates	425
<b>TOTAL LIABILITIES</b>	<b>\$ 331,864</b>
Common Capital Stock	3,000,000
Gross Paid In and Contributed Surplus	3,000,000
Unassigned Funds (Surplus)	314,490
<b>TOTAL CAPITAL AND SURPLUS</b>	<b>\$ 6,314,490</b>
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>\$ 6,646,354</b>

**SUMMARY OF OPERATIONS**

For the Year Ended December 31, 2023

Premiums and Annuity Considerations for Life and Accident and Health Contracts	\$ 133,776
Net Investment Income	233,753
Amortization of Interest Maintenance Reserve	114
Commissions and Expense Allowances on Reinsurance Ceded	38
<b>Total Revenue</b>	<b>\$ 367,681</b>
Death Benefits	(7,430)
Surrender Benefits and Withdrawals for Life Contracts	3,310
Interest and Adjustments on Contract or Deposit-Type Contract Funds	4
Increase in Aggregate Reserves for Life and Accident and Health Contracts	49,539
Commissions on Premiums, Annuity Considerations, and Deposit-Type Contract Funds	23,573
General Insurance Expenses	162,256
Insurance Taxes, License, and Fees, Excluding Federal Income Taxes	21,886
Increase in Loading on Deferred and Uncollected Premiums	1,019
<b>Total Underwriting Deductions</b>	<b>\$ 254,157</b>
<b>Net Gain (Loss) From Operations Before Dividends to Policyholders and Federal Income Taxes</b>	<b>\$ 113,524</b>
Federal and Foreign Income Taxes Incurred	13,636
<b>NET INCOME (LOSS)</b>	<b>\$ 99,888</b>

**RECONCILIATION OF CAPITAL AND SURPLUS**

Changes from January 1, 2019, to December 31, 2023

(\$000's omitted)

	2019	2020	2021	2022	2023
Capital and Surplus, Beginning of Year	\$ 6,105	\$ 6,186	\$ 6,238	\$ 6,186	\$ 6,198
Net Income (Loss)	90	54	(46)	13	100
Change in Net Deferred Income Tax	(3)	3	(2)	(1)	4
Change in Asset Valuation Reserve	(7)	(5)	(4)	-	11
Aggregate Write-Ins for Gains and Losses in Surplus	-	-	-	-	2
Net Change in Capital and Surplus	\$ 81	\$ 51	\$ (52)	\$ 12	\$ 116
<b>Capital and Surplus, End of Year</b>	<b>\$ 6,186</b>	<b>\$ 6,238</b>	<b>\$ 6,186</b>	<b>\$ 6,198</b>	<b>\$ 6,314</b>

**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, 2023, through the date of the report.

**ACKNOWLEDGMENT**

The assistance and cooperation extended by the officers and the employees of Legacy Life Insurance Company of Missouri during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Kim Dobbs, CFE, AES; James Le, CPA, CFE, ARe; Lisa Li, CPA, CFE, ARe; and Kim Waller, CFE, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

**VERIFICATION**

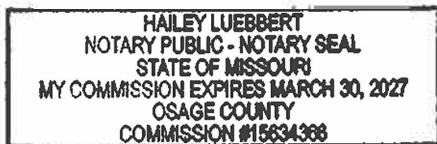
State of Missouri                     )  
   )   ss  
 County of Cole                     )

I, Marc Peterson, CFE, 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 Legacy Life Insurance Company of 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.

Marc Peterson, CFE  
 Examiner-In-Charge  
 Missouri Department of Commerce and  
 Insurance

Sworn to and subscribed before me this 24<sup>th</sup> day of February, 2025.

My commission expires: March 30, 2027   
 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.



---

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