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 Traders 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 Traders Insurance Company as of December 31, 2024, be and is hereby ADOPTED as filed and for Traders 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 29th day of June, 2026.

MISSOURI DEPARTMENT OF COMMERCE AND INSURANCE

Angela L. Nelson

Angela L. Nelson, Director
Department of Commerce and Insurance

REPORT OF
FINANCIAL EXAMINATION OF

TRADERS INSURANCE COMPANY

AS OF
DECEMBER 31, 2024

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

TABLE OF CONTENTS

Jefferson City, MO
May 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

Traders Insurance Company (NAIC #42749)

hereinafter referred to as such, or as the Company. Its administrative office is located at 9300 Troost Avenue, Kansas City, Missouri, telephone number (816) 822-1887. The fieldwork for this examination began on August 16, 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 Traders 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 Traders Insurance Company included Claims Handling/Reserving, Investments, Underwriting, Reinsurance, and

Related Party. 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 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

Traders Insurance Company was incorporated on March 31, 1980, as a stock casualty insurance company under the insurance laws of Chapter 379 RSMo (Insurance Other Than Life) and commenced business effective July 7, 1982.

Mergers, Acquisitions, and Major Corporate Events

There were no mergers or acquisitions during the examination period.

Dividends and Capital Contributions

The dividends paid by Traders Insurance Company under the exam period are summarized below:

Year	Amount
2020	$ 12,000,000
2021	2,500,000
2022	-
2023	-
2024	4,000,000
Total	**$ 18,500,000**

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 (Board) that is elected by the shareholders. The Company's Bylaws specify that the number of directors shall be no less than nine or more than fifteen. The Directors elected and serving as of December 31, 2024, were as follows:

Name and Address	Principal Occupation and Business Affiliation
Jeremiah H. Concannon Kirkwood, Missouri	Retired President of Insurance Agency Health Benefits Services of St. Louis, Inc.
Mark C. Concannon Kansas City, Missouri	President, Chief Executive Officer Traders Insurance Company
Michael F. Concannon Overland Park, Kansas	Retired Agency Owner Michael F. Concannon, Inc.
Patrick J. Concannon Kansas City, Missouri	Executive Vice President, Chief Operating Officer Traders Insurance Company
Donald C. Daniels Kansas City, Missouri	Retired President of Insurance Agency Davidson-Babcock, LLC.
James A. Hezel New Braunfels, Texas	Director of Marketing Heimer Insurance Services, Inc
Timothy D. Kutzberger Overland Park, Kansas	Global Account Manager Checkpoint Software Technologies, LTD
Mary M. McCalla Kansas City, Missouri	Retired Finance Director O'Neill Marketing & Event Management, Inc
Brandon H. Neff San Antonio, Texas	Chief Executive Officer Scan13, Inc.

Senior Officers

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

Name	Office
Mark C. Concannon	President, Chief Executive Officer, and Treasurer
Patrick J. Concannon	Executive Vice President, Chief Operating Officer, and Secretary

Principal Committees

The Company's Bylaws allow the Board to establish an Executive Committee and other committees approved by a majority Board resolution. As of December 31, 2024, the Company has an Audit Committee, which is comprised of all Board members, except for the President, Mark Concannon. Mary McCalla serves as the Audit Committee Chairperson.

Corporate Records

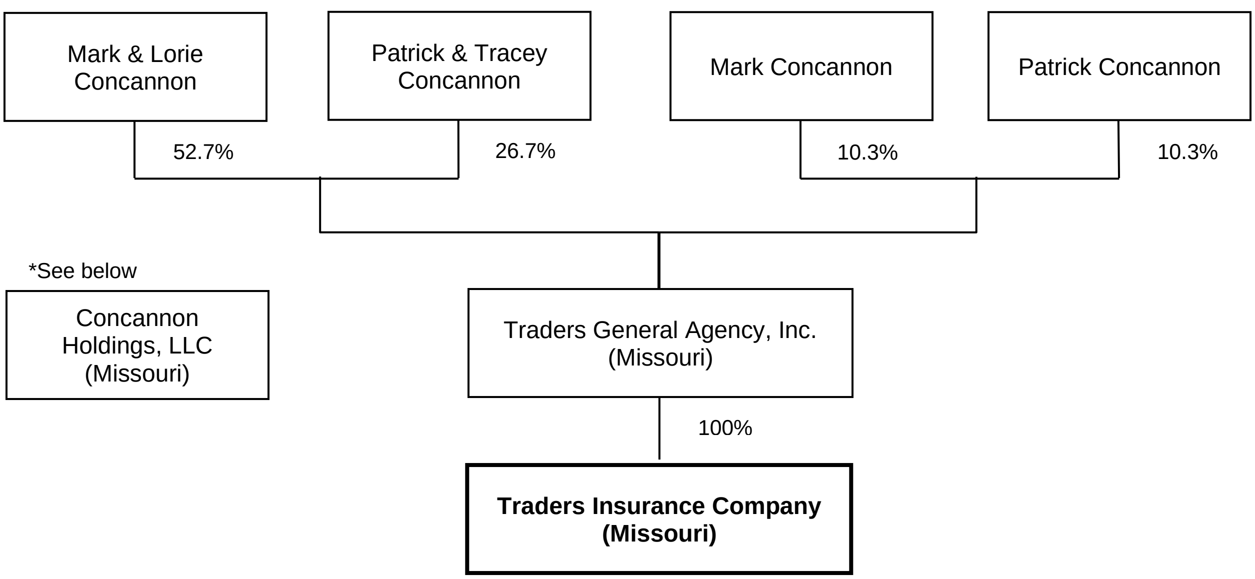
The Company's Articles of Incorporation and Bylaws were reviewed. In 2022, an amendment was made to the Articles of Incorporation which changed the address of its registered office in Missouri from 8916 Troost Avenue, Kansas City, Missouri 64131 to its current location at 9300 Troost Avenue, Kansas City, Missouri 64131.

Holding Company, Subsidiaries, and Affiliates
Traders Insurance Company is a member of an Insurance Holding Company System, as defined by section 382.010, RSMo (Definitions). Insurance Company Registration Statements were filed by the Company during each of the years under examination.

The Company is wholly owned by Traders General Agency, Inc. (TGA), which is exclusively owned by members of the Concannon family. During the examination period, TGA's ownership consisted of Mark and Lorie Concannon (52.7% of TGA Class A voting shares), Patrick and Tracey Concannon (26.7% of TGA Class A voting shares), Mark Concannon (10.3% of TGA Class A voting shares) and Patrick Concannon (10.3% of TGA Class A voting shares). Although Mark and Lorie Concannon hold a majority of TGA stock at 52.7%, each of the shareholders was granted equal voting rights under a Shareholder Voting Agreement filed with the Department in February of 2009.

Mark Concannon and Patrick Concannon also equally share ownership of Concannon Holdings LLC (CHLLC), a Missouri limited liability company formed in February of 2015. CHLLC owns the office building utilized by Traders Insurance Company and TGA for operations, and both Traders Insurance Company and TGA have a lease agreement with CHLLC. As CHLLC shares common ownership with the Company's parent, TGA, CHLLC is considered a related party of the Company and is reported as such on the Annual Statement.

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



*Note – Concannon Holdings, LLC is equally owned by Mark Concannon and Patrick Concannon.

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 is as follows:

Insurance Management Agreement: Since August 1, 2013, Traders and TGA have been parties to an Insurance Management Agreement, whereby the Company appointed TGA as Manager.

The agreement grants TGA the authority required to supervise and conduct the writing of the Company's insurance products through the appointment and supervision of local agents and solicitation of insurance applications, in accordance with the Company's underwriting guidelines. According to the terms of this Agreement, TGA is responsible for the maintenance of books and records for transactions conducted on behalf of the Company and for the collection and deposit of premium payments for the Company's policies.

Expense Sharing Agreement: Effective April 1, 2001, Traders Insurance Company entered into an Expense Sharing Agreement with its then-parent The Concannon Group of Companies, Inc., its then-affiliate Professional Claims, Inc. (PCI), and its then-direct subsidiary Express Auto Insurance Agency, LLC (Express Auto). The Expense Sharing Agreement has been amended several times to reflect various changes in the organizational structure and agreement terms, including the dissolution of Express Auto in 2004 and the dissolution of PCI in 2020. The current parties to the Expense Sharing Agreement are Traders Insurance Company and TGA. Under the terms of the Expense Sharing Agreement, direct expenses are allocated to the party for which the expense was incurred. Expenses that benefit both the Company and its affiliates are allocated proportionally based on employee count.

Lease Agreement*:* Effective January 1, 2016, Traders Insurance Company and CHLLC entered into a Lease Agreement, under which the Company agreed to lease office space from CHLLC. Base rent is comprised of usable square feet (space occupied by the Company only), shared usable square feet (space occupied by the Company and TGA), and common square foot (footage that is shared by all tenants). The Company also agreed to pay additional rent for its percentage of CHLLC's operating and maintenance costs in excess of an agreed upon amount. CHLLC provides utilities and janitorial services for the facility. The term of the Lease Agreement is sixty months and was renewed effective January 1, 2021.

TERRITORY AND PLAN OF OPERATION

Traders Insurance Company is licensed in Missouri under Chapter 379 RSMo (Insurance other than life) to write the business of property and casualty insurance. As of December 31, 2024, the Company was also licensed in the states of Arizona, Arkansas, Indiana, Iowa, Kansas, Kentucky, Nebraska, New Mexico, Oklahoma, and Wisconsin.

The Company writes non-standard private passenger automobile liability and property damage coverage in Arkansas, Missouri, Kansas, Indiana, and Oklahoma. Oklahoma, Missouri, and Kansas comprise the majority of the Company's direct written premiums, accounting for 81.4% of total direct premiums written in 2024. Private passenger automobile liability coverage represented 71% of direct written premiums, with automobile physical damage coverage accounting for the remaining 29% of direct written premiums. In 2016, the Company began writing renters insurance; however, renters premiums have never been material, and the Company discontinued the program during 2025.

Traders Insurance Company markets its business through independent agencies. The Company's parent, TGA, contracts with and supervises third-party independent agents on behalf of the Company. TGA also provides marketing and premium processing services to the Company.

GROWTH OF COMPANY AND LOSS EXPERIENCE

During the examination period, the Company's net premiums written increased by 49% while capital and surplus increased by 43%. This resulted in a small increase in the writing ratio over the examination period.

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	$ 78,630	$ 3,112	$ 39,677	1.98
2021	87,503	8,873	40,854	2.14
2022	92,820	5,317	39,034	2.38
2023	99,707	6,887	47,162	2.11
2024	116,884	17,177	56,618	2.06

The Company's loss ratio increased over the examination period due to a strong writing year in 2020, but has remained stable since 2021.

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	$ 77,311	$ 43,596	0.56
2021	84,874	65,289	0.77
2022	92,206	79,324	0.86
2023	95,422	70,631	0.74
2024	113,858	82,436	0.72

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	$ 98,544	$ 109,633	$ 123,510	$ 143,317	$ 167,635
Reinsurance Assumed:	-	-	-	-	-
Reinsurance Ceded:					
Affiliates	-	-	-	-	-
Non-Affiliates	19,914	22,130	30,689	43,610	50,751
Net Premiums Written	**$ 78,630**	**$ 87,503**	**$ 92,820**	**$ 99,707**	**$ 116,884**

Assumed Reinsurance
Traders did not assume any business during the period under examination.

Ceded Reinsurance
The Company's reinsurance program consists of a quota-share agreement and an excess of loss agreement through its broker, Guy Carpenter & Company, LLC.

Under the quota-share agreement, the Company retains 70% of premiums and liabilities for the private passenger automobile liability and automobile physical damage policies.

The catastrophe excess of loss agreement covers the automobile physical damage and renter's insurance business and includes two layers. In the first layer, the Company's ultimate net loss per loss occurrence is $1.5 million, while the reinsurer's ultimate net loss per occurrence is $2.5 million, with an ultimate net loss for all loss occurrences under the agreement of $5 million. Under the second excess layer, the Company's ultimate net loss per loss occurrence is $4 million, while the reinsurer's ultimate net loss per occurrence is $6 million, with an ultimate net loss for all loss occurrences under the agreement of $12 million.

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, Johnson Lambert, LLP located in Atlanta, Georgia, performed the statutory audit of the Company for the years under examination. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion
Wesley R. Campbell, FCAS, FSA, MAAA, issued the Company's actuarial opinion regarding loss reserves, loss adjustment expense (LAE) reserves, and other actuarial items for all years in the examination period. Mr. Campbell is employed by Apex Actuarial Solutions, LLC located in Dennis, Texas.

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 Company 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
Kimberly Dobbs, 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 Traders 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	$	87,499,445	$	-	$	87,499,445
Cash, Cash Equivalents, and Short-Term Investments		26,885,271		-		26,885,271
Investment Income Due and Accrued		538,249		-		538,249
Premiums and Considerations:						
Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due		31,675,147		-		31,675,147
Reinsurance:						
Amounts Recoverable from Reinsurers		2,844,418		-		2,844,418
Current Federal and Foreign Income Tax Recoverable		80,545		-		80,545
Net Deferred Tax Asset		1,588,494		-		1,588,494
Guaranty Funds Receivable or on Deposit		91,136		-		91,136
Electronic Data Processing Equipment and Software		112,471		112,471		-
Aggregate Write-Ins for Other-Than-Invested Assets		52,810		52,810		-
TOTAL ASSETS	**$**	**151,367,986**	**$**	**165,281**	**$**	**151,202,704**

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

Losses	$	38,143,674
Loss Adjustment Expenses		7,261,659
Other Expenses		47,662
Taxes, Licenses, and Fees		651,210
Unearned Premiums		30,646,404
Advance Premiums		63,552
Ceded Reinsurance Premiums Payable (Net of Ceding Commissions)		3,389,198
Funds Held by Company Under Reinsurance Treaties		8,897,863
Payable to Parent, Subsidiaries, and Affiliates		3,630,965
Aggregate Write-Ins for Liabilities		1,852,370
TOTAL LIABILITIES	**$**	**94,584,558**
Common Capital Stock		805,000
Preferred Capital Stock		400,000
Gross Paid in and Contributed Surplus		5,706,011
Unassigned Funds (Surplus)		49,707,135
TOTAL CAPITAL AND SURPLUS	**$**	**56,618,146**
TOTAL LIABILITIES AND SURPLUS	**$**	**151,202,704**

STATEMENT OF INCOME

For the Year Ended December 31, 2024

Premiums Earned	$	113,858,481
DEDUCTIONS:		
Losses Incurred		72,793,560
Loss Adjustment Expenses Incurred		9,642,093
Other Underwriting Expenses Incurred		25,377,585
Total Underwriting Deductions	$	107,813,239
Net Underwriting Gain (Loss)	**$**	**6,045,242**
Net Investment Income Earned		3,414,494
Net Realized Capital Gains		4,271
Net Investment Gain (Loss)	**$**	**3,418,766**
Finance and Service Charges Not Included in Premiums		7,205,587
Federal and Foreign Income Taxes Incurred		3,736,004
NET INCOME (LOSS)	**$**	**12,933,591**

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	$ 36,517	$ 39,677	$ 40,854	$ 39,034	$ 47,162
Net Income (Loss)	15,395	3,610	(1,646)	7,847	12,934
Change in Net Deferred Income Tax	111	231	(43)	114	150
Change in Nonadmitted Assets	(346)	(164)	(131)	166	373
Dividends to Stockholders	(12,000)	(2,500)	-	-	(4,000)
Net Change in Capital and Surplus	$ 3,161	$ 1,177	$ (1,820)	$ 8,128	$ 9,456
Capital and Surplus, End of Year	**$ 39,677**	**$ 40,854**	**$ 39,034**	**$ 47,162**	**$ 56,618**

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 this report.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Traders Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Emily Pennington, CFE, and Rebecca Edwards, CFE, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Conner Nilges, 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 Traders 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.

RENATE SCHAUFFLER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES JANUARY 20, 2030
COLE COUNTY
COMMISSION #26609471

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

Sworn to and subscribed before me this 26th day of May, 2026.

My commission expires: 1-20-2030 Renate Schauffler
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