ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In the Matter of:

FARMERS' MUTUAL INSURANCE COMPANY (NAIC #40070)

ADMINISTRATIVE PROCEEDING NO. 26-IC-190066

ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION

NOW COMES, Allan L. McVey, Insurance Commissioner of the State of West Virginia (hereinafter, "Commissioner"), who, after consideration of the Report of Examination (hereinafter, the "Examination Report") of Farmers' Mutual Insurance Company (hereinafter referred to as "Company"), as of December 31, 2024, made the following findings of fact, conclusions of law and order.

FINDINGS OF FACT

1. The Company was incorporated and commenced business on July 25, 1905, under the laws of the State of West Virginia. The Company is authorized to transact business as a farmers mutual insurance company under the provisions of Article 22 of Chapter 33 of the West Virginia Code.

2. A single-state examination of the financial condition and operational affairs of the Company for the period beginning January 1, 2020 and ending December 31, 2024, was conducted in accordance with *West Virginia Code* §32-2-9(c) by the Commissioner.

3. On June 18, 2026, the examiner filed a Examination Report with the Commissioner pursuant to *West Virginia Code* §33-2-9(j)(2). A copy of the Examination Report is attached hereto as Exhibit A and incorporated herein as if set forth in full.

4. On or about June 23, 2026, a true and accurate copy of the Examination Report was mailed to and received by David L. Corsini, II, President & CEO. A copy of the letter dated June 23, 2026, is attached hereto as Exhibit B.

5. Pursuant to *West Virginia Code* §33-2-9(j)(2), the Company, by letter dated June 23, 2026, Exhibit B, was notified and afforded a period of ten (10) days, after receipt of the Examination Report, to make a submission, rebuttal, or objection concerning any matter contained in the Report.

6. By letter dated June 23, 2026, David L. Corsini, II, acknowledged that he had reviewed the Examination Report and did not materially dispute the findings of the examination. A copy of the Company's letter of June 23, 2026, is attached hereto as Exhibit C.

CONCLUSIONS OF LAW

1. The Commissioner is charged with the duty of administering and enforcing the provisions of Chapter 33, of the West Virginia Code of 1931, as amended.

2. The Company is organized pursuant to provisions of Article 22, Chapter 33 of the *West Virginia Code*.

3. *West Virginia Code* §33-2-9(j)(2) provides that no later than sixty (60) days following completion of the examination, the examiner in charge shall file with the Commissioner a verified, written Examination Report under oath, and, upon receipt of the verified report, the Commissioner shall transmit the Examination Report to the Company with a notice that shall afford the Company a reasonable opportunity, of not more than thirty (30) days, to make a written submission or rebuttal.

4. *West Virginia Code* §33-2-9(j)(3) provides that within thirty (30) days of the end of the period allowed for the receipt of written submissions or rebuttals, the Commissioner shall fully consider and review the Examination Report, together with any written submissions or rebuttals, and shall enter an ORDER adopting the Examination Report as filed, or with modifications or corrections, enter an ORDER rejecting the Examination Report with directions to the examiners to reopen the examination or call for an investigatory hearing.

ORDER

It is therefore **ORDERED** as follows:

1. The Report of Financial Examination of the Company, attached hereto as Exhibit A, is hereby **ADOPTED** and **APPROVED** by the Commissioner.

2. A copy of this *Order Adopting Report of Financial Examination* and the Examination Report shall be mailed to the Company via certified mail, return receipt requested, upon entry by the Commissioner.

3. The Company shall file with the Commissioner, within thirty (30) days of the issuance of this Order, affidavits executed by each of its directors stating under oath that they have received a copy of the Report of Financial Examination and a copy of this *Order Adopting Report of Financial Examination* in accordance with *West Virginia Code* §33-2-9(j)(4).

4. The Company shall take whatever actions are required to comply with the recommendations set forth in the Examination Report, if any, and shall demonstrate compliance to the satisfaction of the Commissioner, if necessary.

5. Inasmuch as orders entered by the Commissioner are subject to judicial review in the Intermediate Court of Appeals as set forth in *West Virginia Code* §51-11-4(b)(4), any person aggrieved by this Order may, within 30 days after the entry of the judgment being appealed, file

an appeal as set forth in *West Virginia Code* §33-2-14 and *West Virginia Rules of Appellate Procedure,* Rule 5(b).

Entered this 26th day of June, 2026.

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

REPORT OF EXAMINATION

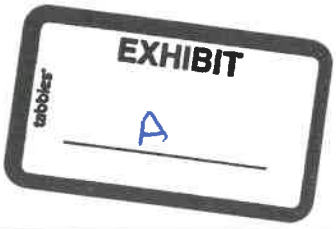
OF

FARMERS' MUTUAL INSURANCE COMPANY

WHITE HALL, WEST VIRGINIA

NAIC # 40070

AS OF DECEMBER 31, 2024



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SALUTATION

June 18, 2026
Charleston, West Virginia

The Honorable Allan L. McVey
West Virginia Insurance Commissioner
900 Pennsylvania Ave.
Charleston, West Virginia 25302

Pursuant to the authority vested in the West Virginia Offices of the Insurance Commissioner ("WVOIC"), as well as rules, regulations and procedures promulgated by the National Association of Insurance Commissioners ("NAIC"), an examination has been made of the administrative affairs, books, records, and financial condition of:

Farmers' Mutual Insurance Company

40 Moran Circle
White Hall, West Virginia 26554

hereinafter referred to as the "Company". The following Report of Examination is respectfully submitted.

SCOPE OF EXAMINATION

The Company was last examined as of December 31, 2019. The current examination commenced on November 19, 2025, and is a single-state, full scope, five-year examination pursuant to W.Va. Code §33-2-9, as amended, covering the period from January 1, 2020, through December 31, 2024, including any material transactions or events occurring subsequent to the examination date and noted during the course of the examination.

The purpose of this examination is to assess the financial condition of the Company and set forth findings of fact (together with citations of pertinent laws, regulations and rules) with regard to any material adverse findings disclosed by the examination.

The general procedures of the examination followed rules and standards as set forth in the NAIC Financial Condition Examiners Handbook ("Handbook") and West Virginia Laws, Regulations, and Directives of the WVOIC. The examination was conducted to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risk within the Company and evaluating system controls and procedures used to mitigate those risks. In addition, the principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statements of Statutory Accounting Principles ("SSAP") and annual statement instructions were assessed.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating 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.

The report is presented on an exception basis. It is designed to set forth the facts with regard to any material adverse findings disclosed during the examination. If necessary, comments and recommendations have been made in those areas in need of correction or improvement. In such

cases, these matters were discussed with responsible Company officials during the course of the examination.

SUMMARY OF SIGNIFICANT FINDINGS

There were no significant findings as a result of this examination.

HISTORY

The Company was incorporated under the laws of the state of West Virginia on July 25, 1905, as the Farmers Mutual Fire Association of West Virginia. Effective January 1, 1991, the current name was officially adopted.

On January 1, 1992, Grange Mutual Fire Insurance Company, Philippi, West Virginia, was merged into the Company. Effective July 1, 1994, Farmers Union Association and Fire Insurance Company, Bruceton Mills, West Virginia was merged with the Company. The Company operates under the provisions of Chapter 33, Article 22 of the West Virginia Insurance Code as a farmers' mutual fire insurance company.

Capitalization

The Company is a non-stock farmers mutual insurance company organized under the farm mutual statutes of the West Virginia insurance Code, and as such has no capital stock outstanding.

Dividends to Policyholders

There were no dividends paid to policyholders during the examination period.

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

Name Change

The Company's name did not change during the examination period.

Significant changes in key trends

The Company did not experience any significant changes during the examination period.

MANAGEMENT AND CONTROL

BOARD OF DIRECTORS

The corporate powers of the Company are vested in the Board of Directors ("Board") consisting of not less than six nor more than twelve members in compliance with Section III of the Company's Charter and in compliance with W. Va. Code §33-22-5(a). The individuals serving as members of the Board on December 31, 2024, were as follows:

Name	Principal Occupation
Mary Beth Aliveto *	Retired
John Gilbert Conaway	Retired
David Lee Corsini II	President, Farmers' Mutual Insurance Company
Mary M. Hunt	Senior Program Officer, Benedum Foundation
Conn Douglas Johnson	Manager, Johnson Insurance Agency
Frederick Wilson Parsons II	VP, GM Metro News Radio and Television, Owner, Parsons Distributing

*Chairperson

OFFICERS

According to the Company's bylaws, the annual meeting of the Board must be held no later than ten days following the annual meeting of members. At this meeting, the Board is required to elect a Chairman, President, Treasurer and Secretary.

Officers elected at the April 25, 2024, Board of Directors Meeting and serving as of December 31, 2024, were as follows:

Name	Title
David Lee Corsini II	President, Chief Executive Officer and Secretary
Mary Beth Aliveto	Chairperson
John Gilbert Conaway	Vice Chairperson and Treasurer
Brian David Gawthrop	Chief Operating Officer

COMMITTEES

The Bylaws require an Executive Committee to be comprised of the Chairman of the Board, the Vice Chaiman of the Board, and two members appointed by the Board. The Executive Committee shall also operate and fulfill the responsibilities of the Audit Committee. In addition to the Executive Committee, the Board has established an Investment Committee to assist in discharging its responsibilities. The Executive Committee and Investment Committee members are nominated and voted upon during the April Board meeting.

As of December 31, 2024, members serving on the Committees of the Company Board were as follows:

Executive Committee:

- Mary Beth Aliveto
- John Gilbert Conaway
- David Lee Corsini, II
- Conn Douglas Johnson

Investment Committee:

- Mary Beth Aliveto
- John Gilbert Conaway
- David Lee Corsini, II
- Conn Douglas Johnson

TERRITORY AND PLAN OF OPERATION

At December 31, 2024, the Company primarily wrote fire, homeowners multiple perils, and commercial multiple peril coverage in West Virginia. The Company is not licensed in any other state. The Company began writing in West Virginia in 1906.

REINSURANCE

Assumed

As of December 31, 2024, the Company had no assumed reinsurance.

Ceded

At December 31, 2024, the Company was party to the following ceded reinsurance agreements:

- **Two Layer Property and Casualty Excess of Loss Reinsurance Contract**: Effective January 1, 2024, the Company entered into a Two Layer Property and Casualty Excess of Loss Contract with various reinsurers (collectively the "Reinsurer") for a one-year term. The reinsurance agreement covers (i) all policies classified as Fire, Allied Lines, Commercial Inland Marine and property sections of Homeowner's Multiple Peril, Mobile Homeowner's Multiple Peril, Farmowner's Multiple Peril and Commercial Multiple Peril, and (ii) Casualty Sections of Homeowner's Multiple Peril, Mobile Homeowner's Multiple Peril, Farmowner's Multiple Peril, Commercial Multiple Peril and Other Liability, barring any specific exclusions listed in the agreement. For the First Layer of the agreement, the Company retains the first $100,000 of the loss with Reinsurer covering the next $150,000 per loss, subject to a property loss occurrence limitation of $450,000 for each and every loss occurrence. For the Second Layer of the agreement, the Company's retains the first $250,000 of the loss with Reinsurer covering the next $500,000 per loss, subject to a property loss occurrence limitation of $1,500,000 for each and every loss occurrence.
- **Three Layer Property Catastrophe Excess of Loss Reinsurance Contract**: Effective January 1, 2024, the Company entered into a Three Layer Property Catastrophe Excess of Loss Reinsurance Contract with various reinsurers (collectively the "Reinsurer") for a one-

year term. The reinsurance agreement covers all policies classified as Fire, Allied Lines, Commercial Inland Marine and property sections of Homeowner's Multiple Peril, Mobile Homeowner's Multiple Peril, Farmowner's Multiple Peril and Commercial Multiple Peril, barring any specific exclusions listed in the agreement. For the First Layer, the Company retains the first $600,000 of ultimate net loss (per occurrence) with Reinsurer liable for the next $400,000 of loss for any one loss occurrence. For the Second Layer, the reinsurers will then be liable for the amount of Ultimate Net Loss in excess of $1,000,000 any one Loss Occurrence, but the limit of liability of Reinsurer will not exceed 100% of $1,000,000 with respect to any one Loss Occurrence. For the Third Layer, the Reinsurer will then be liable for the amount of Ultimate Net Loss in excess of $2,000,000 any one Loss Occurrence, but the limit of liability of the Reinsurer will not exceed 100% of $1,500,000 with respect to any one Loss Occurrence.

It was determined that all reinsurers and the reinsurance intermediary were properly licensed or authorized to conduct business in the State of West Virginia.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the WVOIC and present the financial condition of the Company for the period ending December 31, 2024.

STATEMENT OF ASSETS
DECEMBER 31, 2024

	Per Company
Bonds	$ 9,548,530
Stocks	
Common stocks	11,142,227
Real estate	
Properties occupied by the company	195,121
Cash and cash equivalents	4,273,107
Investment income due and accrued	127,690
Premiums and considerations:	
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	1,482,534
Electronic data processing equipment and software	11,455
Totals	$ 26,780,664

STATEMENT OF LIABILITIES, SURPLUS AND OTHER FUNDS
DECEMBER 31, 2024

	Per Company
Losses	$ 221,307
Loss adjustment expenses	54,466
Commissions payable	839,553
Other expenses	406,052
Taxes, licenses and fees	11,532
Current federal and foreign income taxes	(24,247)
Net deferred tax liability	71,773
Unearned premiums	4,197,142
Advance premium	158,044
Ceded reinsurance premiums payable	32,321
Amounts withheld or retained by company	39,271
Total liabilities	$ 6,007,214
Unassigned funds (surplus)	20,773,450
Surplus as regards policyholders	20,773,450
Totals	$ 26,780,664

STATEMENT OF INCOME
DECEMBER 31, 2024

	Per Company
Underwriting Income	
Premiums earned	$ 6,854,044
Losses incurred	1,649,985
Losses adjustment expenses incurred	640,780
Other underwriting expenses incurred	3,716,101
Total underwriting deductions	6,006,866
Net underwriting gain (loss)	847,178
Invetment Income	
Net investment income earned	467,631
Net realized capital gains (losses)	273,909
Net investment gains	741,540
Other Income	
Finance and service charges	19,057
Aggregate write-ins for miscellaneous income	47,143
Total other income	66,200
Net income before dividends to policyholders	1,654,918
Federal and foreign income taxes incurred	246,805
Net income	$ 1,408,113

RECONCILIATION OF SURPLUS
DECEMBER 31, 2024

Surplus as of Prior Examination - 12/31/2019	$ 14,429,247
Net Income	1,024,620
Change in net unrealized capital gains (losses)	728,338
Change in net deferred income tax	(144,465)
Change in nonadmitted assets	(9,686)
Aggregate write-ins for gains and losses in surplus	16,656
Net change in capital and surplus	1,615,463
Surplus at December 31, 2020	$ 16,044,710
Net Income	1,322,746
Change in net unrealized capital gains (losses)	667,166
Change in net deferred income tax	(144,506)
Change in nonadmitted assets	45,711
Aggregate write-ins for gains and losses in surplus	(11,633)
Net change in capital and surplus	556,738
Surplus at December 31, 2021	$ 17,924,194
Net Income	848,517
Change in net unrealized capital gains (losses)	(934,740)
Change in net deferred income tax	8,598
Change in nonadmitted assets	8,378
Aggregate write-ins for gains and losses in surplus	(2,392)
Net change in capital and surplus	(71,639)
Surplus at December 31, 2022	$ 17,852,555
Net Income	1,283,625
Change in net unrealized capital gains (losses)	388,722
Change in net deferred income tax	(77,427)
Change in nonadmitted assets	(53,620)
Aggregate write-ins for gains and losses in surplus	(22,900)
Net change in capital and surplus	1,518,400
Surplus at December 31, 2023	$ 19,370,955
Net Income	1,408,113
Change in net unrealized capital gains (losses)	18,102
Change in net deferred income tax	19,859
Change in nonadmitted assets	(23,696)
Aggregate write-ins for gains and losses in surplus	(18,883)
Net change in capital and surplus	1,403,495
Surplus at December 31, 2024	$ 20,774,450

SUMMARY OF EXAMINATION CHANGES

There were no adjustments made to the Company's financial statements as a result of this examination.

SUBSEQUENT EVENTS

The were no events subsequent to the examination date and prior to the completion of field work which were considered material events requiring disclosure in this Report of Examination.

SUMMARY OF EXAMINATION RECOMMENDATIONS

There were no findings or recommendations as a result of this examination.

ACKNOWLEDGEMENT AND SIGNATURE

This is to certify that the undersigned is a duly qualified Examiner appointed by the West Virginia Offices of the Insurance Commissioner. In addition to the undersigned, Rachelle Gowins, consulting supervising examiner, Lori Shores, Information Technology examiner and Solomon Frazier, Actuary, of Examination Resources, LLC, participated in the examination. Matt Milford, CFE, of Noble Consulting Services, Inc., participated as WVOIC consulting supervising examiner and Mary Jo Lewis, CPA, APIR, of the WVOIC served as the department designee.

The examination was performed in accordance with those procedures authorized by the NAIC Financial Condition Examiner's Handbook and other procedures appropriate for this examination. The attached report of examination is a true and complete report of the financial condition of the Farmers' Mutual Insurance Company as of December 31, 2024, as determined by this examination.

Respectfully Submitted,

Scott R. Kalna, CFE, AMCM
Examiner-in-Charge
Examination Resources, LLC
Representing the WV Offices of the Insurance Commissioner

Justin Parr, CFE, CFE-A, ARM, MCM, PIR
Director / Chief Financial Examiner
Financial Conditions Division
WV Offices of the Insurance Commissioner

STATE OF WEST VIRGINIA
Offices *of the* Insurance Commissioner

Allan L. McVey
Insurance Commissioner

June 23, 2026

Mr. David L. Corsini, II, President & CEO
Farmers' Mutual Insurance Company
40 Moran Circle
White Hall, WV 26554-8987

RE: Closure of Financial Examination as of December 31, 2024
Farmers' Mutual Insurance Company, NAIC #40070

Dear Mr. Corsini:

Please find enclosed a copy of the Report of Examination of Farmers' Mutual Insurance Company. This examination was performed in accordance with the provisions of Chapter 33, Article 2, Section 9 of the West Virginia Code, as amended. The Report of Examination reflects the financial affairs and condition of Farmers' Mutual Insurance Company, as of December 31, 2024.

You are hereby notified that you have ten (10) working days from receipt of this letter to make written submission or rebuttals with respect to any matter contained in the Report of Examination. If no exception is taken, please respond accordingly by the end of the ten (10) day comment period.

Sincerely,

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

ALM/mjl

Enclosure: Copy of Report of Examination

EXHIBIT
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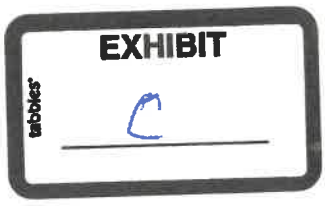
Farmers Mutual
Insurance Company
Since 1905

40 Moran Circle, White Hall, WV 26554
Phone: 304-366-1850 Ext: 114
Cell # 304-669-0957
Email: dl_corsini@farmersmutual.com

June 23, 2026

Re: Preliminary Report
Attention: Mary Jo Lewis, Supervising Examiner

Please be advised we have reviewed the Preliminary Report and agree with the findings therein. We appreciate the working relationship with all involved.

Best Regards,

David L. Corsini II
CEO/ President
Farmers Mutual Insurance Co.