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

In the Matter of:

WEST VIRGINIA FARMERS MUTUAL INSURANCE ASSOCIATION (NAIC #15431)

ADMINISTRATIVE PROCEEDING NO. 26-IC-190051

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 Financial Examination (hereinafter, the "Examination Report") of West Virginia Farmers Mutual Insurance Association (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 March 24, 1909, 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 May 22, 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 16, 2026, a true and accurate copy of the Examination Report was mailed to and received by William W. Montgomery, President. A copy of the letter, dated June 16, 2026, is attached hereto as Exhibit B.

5. Pursuant to *West Virginia Code* §33-2-9(j)(2), the Company, by letter dated June 1, 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 16, 2026, William W. Montgomery, 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 16, 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 Examination Report 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

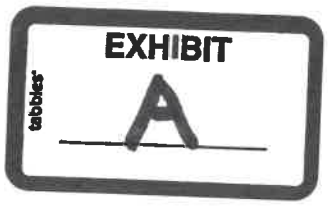
OF

WEST VIRGINIA FARMERS MUTUAL INSURANCE ASSOCIATION

CLARKSBURG, WV

NAIC #15431

AS OF DECEMBER 31, 2024



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SALUTATION

May 22, 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:

West Virginia Farmers Mutual Insurance Association

1206 Crislip Avenue
Clarksburg, West Virginia 26301

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

SCOPE OF EXAMINATION

The Company was last examined as of December 31, 2019. This examination commenced on December 17, 2025 pursuant to W.Va. Code §33-2-9, as amended, and covers the 5-year 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. This examination was conducted as a component of a coordinated financial examination of the Celina Insurance Group (the "Group", or "CIG") with the state of Ohio serving as the lead state. This coordinated examination included participation by representatives from the states of Ohio and West Virginia.

As part of the Group coordinated examination, Tom Botsko, ACAS, MAAA, Chief Property & Casualty Actuary for the Ohio Department of Insurance ("ODI") conducted a full review of the Group's reserves. The Examiners relied upon the actuarial review performed by the ODI, which concluded that the Company maintains adequate reserves as of December 31, 2024.

In addition, the Examiners relied on the work of the IT Specialists from the ODI for the review of IT general controls. Reliance was also placed on the testing completed by the ODI over key functional activities of the Group that were relevant to the Company.

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

As a result of the current examination period and review of the subsequent events, the following finding was noted:

1. The Company failed to obtain prior approval from the Commissioner to enter into Addendum No. 1 to the Excess of Loss Reinsurance contract with Celina Mutual Insurance Company effective January 1, 2023 as required by W. Va. Code §33-27-5(d)(3)(B).

HISTORY

The Company was incorporated in West Virginia and commenced business on March 24, 1909. It operates as a Farmers Mutual Fire Insurance Company under Chapter 33, Article 22 of the West Virigina State Code. The Company is affiliated with and a member of the "CIG" headquartered in Celina, OH, and is a member of this holding company system by virtue of common management/directors and a management services and cost sharing agreement with National Mutual Insurance Company ("National") (the ultimate controlling entity). In addition, the

Company has an Excess of Loss reinsurance agreement with affiliate The Celina Mutual Insurance Company ("Celina") and is a participant in a combined external reinsurance program in which all members of the CIG participate. The Company is only licensed to write business in West Virginia.

Dividends to Policyholders

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

Mergers and Acquisitions

There were no mergers or acquisitions during the examination period.

Significant changes in key trends

Net premium written has increased in four of the last five years, supporting steady but modest growth.

NET PREMIUM WRITTEN

2024	2023	2022	2021	2020
$3,206,042	$2,925,368	$2,941,472	$2,687,566	$2,620,999

MANAGEMENT AND CONTROL

BOARD OF DIRECTORS

The corporate powers of the Company are vested in the Board of Directors consisting of not less than six (6) nor more than fifteen (15) members in compliance with Article VI Section 1 of the Company's Bylaws and in compliance with W. Va. Code §33-22-5(a). The individuals serving as members of the Board of Directors on December 31, 2024 were as follows:

Name	Principal Occupation
James M. Cookman	President, Cookman Insurance Group
Phillip M. Fullenkamp	Retired
Joshua V. Garton	Retired
Theodore H. Habak	Retired
Michael S. Kleinhenz	Retired
William W. Montgomery	Chairman, President, General Manager & CEO
Donald G. Robinson	Retired

OFFICERS

The Company's Bylaws provide for the following officers to be elected by the Board of Directors(a) from among its members: a President and a Treasurer, and (b) from among its members or otherwise: a Vice president and a Secretary. Any two offices expect the President may be combined and held by the same person.

Officers elected at the March 27, 2024 Board of Directors Meeting and serving as of December 31, 2024, were as follows:

Name	Title
William W. Montgomery	President
Suzanne L. Wells	Treasurer and Vice President
Scott W. Montgomery	Secretary

COMMITTEES

The Bylaws require no formal committees. At the Board's discretion it can elect from among its members an Executive Committee, an Audit Committee, or an Investment Committee. The Board has established only an Executive Committee and elected the members annually.

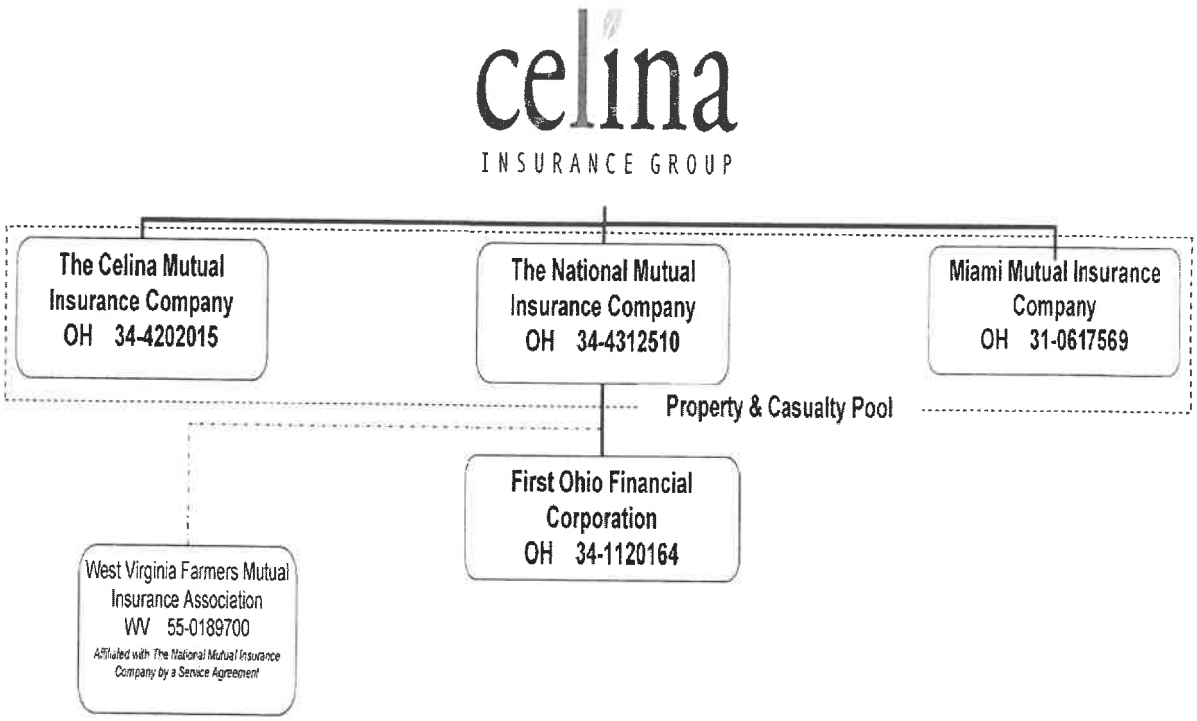
As of December 31, 2024, members serving on the Executive Committees of the WVFMIA Board were as follows:

Executive Committee

- William W. Montgomery, Chairman
- Michael S. Kleinhenz
- Joshua S. Garton

ORGANIZATIONAL CHART

The Company is a member of an insurance holding company system. CIG consists of four mutual insurance companies and a non-insurance entity affiliated through cost sharing and service agreements. The following is the organizational chart as of December 31, 2024:



AGREEMENTS

As of December 31, 2024, the Company had the following agreement in force:

Service & Cost Sharing Agreement

Effective January 1, 2022, the Company entered into a Service and Cost Sharing Agreement with its affiliate, National, for a five-year term, whereby National provides sales, underwriting, claims, accounting, data processing, supervisory, administrative and investments management services. Fees resulting from these services are reimbursed based on allocations to each company using techniques and procedures acceptable under general cost account procedures and in conformity with Statutory Accounting Principles. The Company incurred expenses of $1,638,985 under this agreement in 2024. This agreement was approved by WVOIC on November 1, 2021.

TERRITORY AND PLAN OF OPERATION

At December 31, 2024, the Company writes Farmowners Multiple Peril with supplemental writings in Fire and limited writings in Allied Lines, Inland Marine, Earthquake and Other Liability coverage solely in West Virginia.

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 agreement:

Under the terms of the Excess of Loss Reinsurance Agreement between the Company and Celina as mentioned above, the Company retains the first $25,000 of any one loss and cedes the amount of the loss in excess of $25,000 up to $500,000 to Celina. The reinsurance agreement also provides an aggregate loss ratio stop loss under which the Company begins to cede losses to Celina once the loss ratio reaches sixty-five percent. This agreement was originally effective January 1, 2013. An amendment was entered into effective January 1, 2023, hereinafter "Addendum No. 1 to the Excess of Loss Reinsurance Agreement". The Company did not file a Form D – Prior Notice of a Transaction with the WVOIC seeking prior approval from the Commissioner to enter into the Addendum No. 1 to the Excess of Loss Reinsurance Agreement as required by W. Va. Code §33-27-5(d)(3)(B) and Legislative Rule §114-35-17.

The Company is also a participant in a combined external reinsurance program in which all members of the CIG participate. This reinsurance program provides additional excess of loss coverage over and above the affiliated excess of loss reinsurance agreement executed with Celina.

As of the examination date, this program included a multi-line excess of loss reinsurance contract with a $500,000 retention and coverage up to $5.0 million for property and $7.0 million for casualty. Workers' compensation coverage is up to $10.0 million excess of $5.0 million and property per risk coverage is up to $15.0 million excess of $5.0 million. A 100% quota share agreement for mechanical breakdown is maintained up to $15.0 million. A 100% quota share agreement for employment practices liability is maintained up to $1.0 million. A 70% quota share

agreement for liquor liability is maintained up to $1.0 million. A 100% quota share agreement for cyber/network security is maintained up to $100,000. A 75% quota share agreement for contractor's errors and omissions is maintained up to $1.0 million. The property catastrophe excess program provides coverage up to $55.0 million excess of $10.0 million.

All contracts reviewed contained the necessary clauses that meet the guidelines prescribed by the NAIC.

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
Assets	
Bonds	$7,935,065
Common stocks	1,235,342
Cash, and cash equivalents	1,447,052
Cash and invested assets	**$10,617,459**
Investment income due and accrued	$72,042
Uncollected premiums	6,423
Deferred premiums, agents' balances and installments booked but deferred and not yet due	783,398
Amounts recoverable from reinsurers	1,259
Current federal and foreign income tax recoverable and interest thereon	35,168
Total Admitted Assets	**$11,515,749**

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

	Per Company
Liabilities	
Losses	$552,302
Loss adjustment expenses	47,200
Commissions payable, contingent commissions and other similar charges	212,863
Other expenses	16,189
Taxes, licenses and fees	67
Net deferred tax liability	2,611
Unearned premiums	2,811,865
Advance premium	83,647
Ceded reinsurance premiums payable	194,373
Amounts withheld or retained by company for account of others	2,332
Remittances and items not allocated	2,272
Payable to parent, subsidiaries and affiliates	189,045
Total Liabilities	$4,114,766
Surplus and Other Funds	
Unassigned funds	7,400,983
Surplus as regards policyholders	**7,400,983**
Total Liabilities, Surplus and Other Funds	**$11,515,749**

STATEMENT OF INCOME
DECEMBER 31, 2024

	Per Company
Underwriting Income	
Premiums Earned	$3,078,890
Deductions	
Losses incurred	1,412,367
Loss adjustment expenses incurred	291,787
Other underwriting expenses incurred	1,711,423
Net underwriting gain (loss)	**$(336,687)**
Investment Income	
Net investment income earned	302,578
Net realized capital gains (losses)	(3,726)
Net investment gain (loss)	**$298,852**
Other Income	
Net gain (loss) from agents' or premium balances charged off	(2,499)
Finance and service charges not included in premiums	22,786
Aggregate write-ins for miscellaneous income	(1,645)
Total other income	**$18,642**
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(19,193)
Federal and foreign income taxes incurred	19,187
Net Income	**$(38,380)**

RECONCILIATION OF SURPLUS
DECEMBER 31, 2024

	Amounts Per Annual Statement 2024	Amounts Per Annual Statement 2023	Amounts Per Annual Statement 2022	Amounts Per Annual Statement 2021	Amounts Per Annual Statement 2020
Surplus as regards policyholders, Prior Year	$7,275,020	$7,337,019	$7,306,358	$6,920,077	$6,598,542
Net income (loss)	(38,380)	(160,532)	142,609	223,479	276,806
Change in net unrealized capital gains (losses)	144,278	70,204	(104,636)	163,062	33,731
Change in net deferred income tax	18,714	30,406	(1,349)	2,250	14,446
Change in non-admitted assets	1,350	(2,077)	(5,970)	(2,505)	(3,448)
Change in provision for reinsurance	0	0	5	(5)	0
Net change in surplus	$125,962	$(61,999)	$30,661	$386,281	$321,535
Surplus as regards policyholders, current year	**$7,400,982**	**$7,275,020**	**$7,337,019**	**$7,306,358**	**$6,920,077**

SUMMARY OF EXAMINATION CHANGES

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

SUBSEQUENT EVENTS

There were no material items noted during the completion of the standard subsequent events procedures as part of the financial examination.

SUMMARY OF EXAMINATION RECOMMENDATIONS

As a result of the full-scope financial examination, the following recommendations are made:

It is recommended that the Company comply with the requirements of W. Va. Code §33-27-5 and file the amendment/modification to the affiliated reinsurance agreement with the Commissioner for prior approval via the filing requirements set forth in Legislative Rule §114-35-17.

ACKNOWLEDGEMENT AND SIGNATURE

This is to certify that the undersigned is a duly qualified Examiner appointed by the WVOIC. In addition to the undersigned, Rachelle Gowins, CFE, Examination Supervisor of Examination Resources, LLC participated in the examination, as well as examiners from the Ohio Department of Insurance representing the State of Ohio. Matthew 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 financial condition of West Virgina Farmers Mutual Insurance Association as of December 31, 2024, as determined by this examination.

Respectfully Submitted,

Joanne Campanelli

Joanne Campanelli, CFE, ARC, MCM
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 16, 2026

Mr. William W. Montgomery, President
Ms. Suzanne Wells, Treasurer, CFO & VP
West Virginia Farmers Mutual Insurance Association
1 Insurance Square
Celina, OH 45822

RE: Report of Financial Examination as of December 31, 2024
West Virginia Farmers Mutual Insurance Association, NAIC 15431

Dear Mr. Montgomery and Ms. Wells:

Please find enclosed a copy of the Report of Examination of West Virginia Farmers Mutual Insurance Association ("WVFMIA"). 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 WVFMIA, 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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Financial Conditions Division
PO Box 50540
Charleston, WV 25305-0540

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June 18, 2026

The Honorable Allan L. McVey
West Virginia Insurance Commissioner
PO Box 50540
Charleston, West Virginia 25305-0540

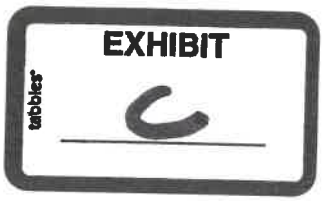
RE: Report of Examination of West Virginia Farmers Mutual Insurance Association as of December 31, 2024.

Dear Commissioner McVey:

We have received your letter of June 16, 2026 which transmitted the Report of Examination of West Virginia Farmers Mutual Insurance Association as of December 31, 2024. Your letter indicates we have ten (10) working days from the receipt of the letter to make written submissions or rebuttals with respect to any matter contained in the Report of Examination. We have reviewed the report and agree with its contents. We are pleased to note there were no significant findings or adjustments to the financial statements as a result of the examination.

Sincerely,
West Virginia Farmers Mutual Insurance Association

Bill Montgomery

William W. Montgomery
President

CC: Mary Jo Lewis, Supervising Examiner
Justin Parr, Chief Financial Examiner