

JUN 08 2025

FILED

# CERTIFICATION

June 8, 2025

I, Eric Dunning, Director of Insurance of the State of Nebraska, do hereby certify that the attached is a full and correct copy of the Financial Examination Report of

**EMPLOYERS MUTUAL ACCEPTANCE COMPANY**

**AS OF**

**DECEMBER 31, 2023**

The report is now on file and forming a part of the records of this Department.

I hereto subscribe my name under the seal of my office at Lincoln, Nebraska.



  
\_\_\_\_\_  
DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

**EMPLOYERS MUTUAL ACCEPTANCE COMPANY**

**11301 DAVENPORT STREET**

**OMAHA, NE 68154**

dated as of December 31, 2023, verified under oath by the examiner-in-charge on  
May 12, 2025, and received by the company on May 14, 2025, has been adopted  
without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 29<sup>th</sup> day of May 2025.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Tadd R. Wegner". The signature is written in a cursive, flowing style.

Tadd Wegner, CFE  
Chief Financial Regulator

**STATE OF NEBRASKA**

**Department of Insurance**

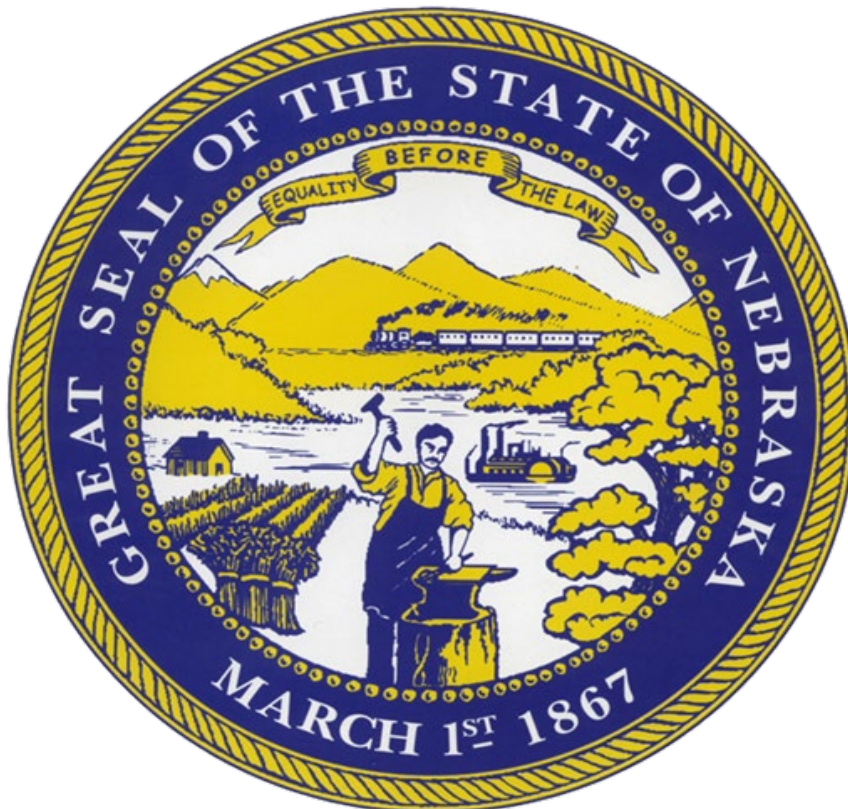
**EXAMINATION REPORT**

**OF**

**EMPLOYERS MUTUAL ACCEPTANCE COMPANY**

**as of**

**December 31, 2023**



Omaha, Nebraska  
May 5, 2025

Honorable Eric Dunning  
Director of Insurance  
Nebraska Department of Insurance  
1526 K Street, Suite 200  
Lincoln, Nebraska 68508

Dear Sir:

Pursuant to your instruction and authorizations, and in accordance with statutory requirements, an examination has been conducted of the financial condition and business affairs of:

**EMPLOYERS MUTUAL ACCEPTANCE COMPANY  
11301 Davenport Street  
Omaha, Nebraska 68154**

(hereinafter also referred to as the “Company”), and the report of such examination is respectfully presented herein.

**INTRODUCTION**

The State of Nebraska last examined the Company as of December 31, 2018. The current financial condition examination covers the intervening period to and includes the close of business on December 31, 2023 and such subsequent events and transactions as were considered pertinent to this report. The State of Nebraska participated in this examination and assisted in the preparation of this report.

**SCOPE OF EXAMINATION**

The Nebraska Department of Insurance conducted this examination pursuant to and in accordance with the provisions of Section §44-5904(1) of the Nebraska Insurance Statutes.

The Nebraska Department of Insurance made a general review of the Company’s operations and the manner in which its business has been conducted in order to determine

compliance with statutory and charter provisions. The Company's history was traced and has been set out in this report under the caption "Description of Company." All items pertaining to management and control were reviewed. The Articles of Incorporation and By-Laws were reviewed, including appropriate filings of any changes or amendments thereto. The minutes of the meetings of the Policyholders and Board of Directors held during the examination period were read and noted. Attendance at meetings and election of Directors and Officers were also noted.

The fidelity bond and other insurance coverages protecting the Company's property and interests were reviewed. The Certificate of Authority to conduct the business of insurance in the State of Nebraska was inspected and a survey was made of the Company's general plan of operation.

The Company's reinsurance facilities were ascertained and noted and have been commented upon in this report under the caption "Reinsurance." Accounting records and procedures were tested to the extent deemed necessary through the substantive examination process.

All accounts and activities of the Company were considered in accordance with the provisions of Section §44-5904(1) of the Nebraska Insurance Statutes. The assets were verified and evaluated, and the liabilities were determined in order to present the statement of the Company's financial condition as of December 31, 2023.

Any failure of items to add to the totals shown in schedules and exhibits appearing throughout this report is due to rounding.

## **DESCRIPTION OF COMPANY**

### **HISTORY**

The Company was incorporated under the laws of the State of Nebraska on November 18, 1981 as a mutual assessment health insurance company with given perpetual existence.

### **MANAGEMENT AND CONTROL**

#### **Policyholders**

Article I of the Company's By-Laws states that, "the annual meeting of Policyholders shall be held on the third Wednesday in February beginning in 1982 at the hour of 5 o'clock p.m. for the purpose of electing Directors and the transaction of any other business to come before said meeting." Article IV of the Companies By-Laws states that, "the annual meeting of the Policyholders of this Association shall be held the first Tuesday of March each year beginning 1982 at 5 o'clock p.m. at the home office of the Company unless otherwise designated by the Board of Directors." Article I and Article IV state different dates for the annual meeting. The prior examination recommended that the Company amend its By-Laws to correct the contradictory articles, with which the Company did not comply. It is again recommended that the Company amend its By-Laws to correct contradictory articles.

#### **Board of Directors**

Article VI of the Company's Articles of Incorporation states that, "the affairs of the Company shall be conducted by a Board of Directors which shall have and shall exercise all the powers of the Company. Directors shall be Policyholders. The number of Directors which shall constitute the Board of Directors shall be not less than five (5) nor more than twenty-one (21). Directors shall be elected by the Policyholders at the annual meeting and shall take office as provided from time to time by the By-Laws."

The following persons were serving as Directors at December 31, 2023:

<u>Name</u>	<u>Residency</u>
Arthur C. Jetter, Jr.	Benbrook, Texas
Arthur C. Jetter, III	Elkhorn, Nebraska
Matthew K. Jetter	Omaha, Nebraska
Sarah Jones	Bennington, Nebraska
Karen S. Nalley	Omaha, Nebraska

The Directors are not directly compensated for their service to the Company.

### **Officers**

Article II of the Company's By-Laws states that, "the Officers of the Company shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors."

The following is a listing of Officers elected and serving the Company at December 31, 2023:

<u>Name</u>	<u>Office</u>
Arthur C. Jetter, Jr.	President and Treasurer
Karen S. Nalley	Vice President
Sarah Jones	Secretary

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

As evidenced by a current Certificate of Authority, the Company is licensed to transact business in the State of Nebraska.

The Company has not changed its policy forms during the period under examination. Currently the Company has ten policies in-force. The Policyholders are Directors of the Company and their family members.

### **BODY OF REPORT**

### **FINANCIAL STATEMENTS**

The following statement of assets and liabilities, together with the accompanying statement of income and disbursements, reflects the financial condition of the Company at December 31, 2023. All amounts are based on the findings of the current examination:

**STATEMENT OF INCOME AND DISBURSEMENTS**

	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Balance, beginning of year	<u>\$12,569</u>	<u>\$12,670</u>	<u>\$12,736</u>	<u>\$12,771</u>	<u>\$12,758</u>
<b><u>Income</u></b>					
Receipts from assessments	\$ 75	\$ 75	\$ 70	\$ 70	\$ 70
Investment income	30	10	5	1	1
Reimbursement, bank fees	<u>84</u>	<u>89</u>	<u>      </u>	<u>      </u>	<u>      </u>
Total income	<u>\$ 189</u>	<u>\$ 174</u>	<u>\$ 75</u>	<u>\$ 71</u>	<u>\$ 71</u>
<b><u>Disbursements</u></b>					
Bank fees	<u>\$ 89</u>	<u>\$ 108</u>	<u>\$ 39</u>	<u>\$ 84</u>	<u>\$ (65)</u>
Total disbursements	<u>\$ 89</u>	<u>\$ 108</u>	<u>\$ 39</u>	<u>\$ 84</u>	<u>\$ (65)</u>
Balance, end of year	<u><u>\$12,670</u></u>	<u><u>\$12,736</u></u>	<u><u>\$12,771</u></u>	<u><u>\$12,758</u></u>	<u><u>\$12,894</u></u>



**STATEMENT OF ASSETS AND LIABILITIES**  
**December 31, 2023**

**ASSETS**

**Ledger Assets**

Certificates of deposit	\$10,000	
Other cash deposited in banks	<u>2,894</u>	
Total admitted assets		<u>\$12,894</u>

**LIABILITIES AND SURPLUS**

Unearned premium	\$ 51	
Total liabilities		\$ 51
Surplus as regards policyholders		<u>\$12,843</u>
Total liabilities and surplus		<u><u>\$12,894</u></u>

**COMPLIANCE WITH PREVIOUS RECOMMENDATIONS**

The recommendations appearing in the previous report of examination are reflected below together with the remedial actions taken by the Company to comply therewith:

**By-Laws** – It is recommended that the Company amend its By-Laws to correct contradictory articles.

**Action:** The Company has not complied with this recommendation. This recommendation will be repeated under the caption “Commentary on Current Examination Findings” in this report.

**Conflict of Interest** - It is suggested that, as a best practice, all Directors and Officers complete the Conflict of Interest statement.

**Action:** The Company has complied with this recommendation.

**Investment Activity** - It is recommended that the Investment Committee formally review its investment activity on a quarterly basis in compliance with Nebraska Insurance Statute §44-5105(3).

**Action:** The Investment Committee does not formally review investment activity on a quarterly basis. However, the only investment held by the Company is a certificate of deposit. Due to the simplicity of investments, Examination passes on this recommendation.

**Tax Preparation Fee Reimbursement** – It is again recommended that the Company report income related to reimbursements received from Art Jetter & Company for only the amount actually received during the year.

**Action:** The Company has complied with this recommendation.

**Tax Preparation Fee** – It is recommended that only expenses paid by the Company be reported as a disbursement.

**Action:** The Company has complied with this recommendation.

### **COMMENTARY ON CURRENT EXAMINATION FINDINGS**

#### **Certificates of Deposit**

**\$10,000**

As of December 31, 2023, the Company had a certificate of deposit with a value of \$10,000. The certificate of deposit was verified by direct confirmation from First National Bank of Omaha.

#### **Cash Deposited in Banks**

**\$ 2,894**

This asset consisted of a checking account balance. The December 31, 2023 balance was verified by obtaining a direct confirmation from Pinnacle Bank.

#### **Unearned Premiums**

**\$ 51**

The Company reported unearned premiums of \$51 as of December 31, 2023. Amounts reported are calculated by applying unearned factors, computed using the monthly pro rata method, to the annual premiums collected in September and October.

**Policyholders' Surplus**

**\$12,843**

Policyholders' surplus as determined by this examination, amounted to \$12,843 at December 31, 2023.

**SUMMARY OF COMMENTS AND RECOMMENDATIONS**

The following comments and recommendations have been made as a result of this examination:

**By-Laws** – It is again recommended that the Company amend its By-Laws to correct contradictory articles.

### **ACKNOWLEDGMENT**

The courteous cooperation extended by the Officers and employees of the Company during this examination is hereby acknowledged.

In addition to the undersigned, Lucas Pfeifer, Financial Examiner with the Nebraska Department of Insurance, participated in this examination and assisted in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Skyler Lawyer".

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Skyler Lawyer, CFE  
Supervisory Examiner  
Department of Insurance  
State of Nebraska

State of Nebraska,

County of Lancaster,

Skyler Lawyer, being duly sworn, states as follows:

1. I have authority to represent the Department of Insurance of the State of Nebraska in the examination of Employers Mutual Acceptance Company.
2. The Department of Insurance of the State of Nebraska is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of the Employers Mutual Acceptance Company was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

The affiant says nothing further.

  
Examiner-in-Charge's Signature

Subscribed and sworn before me by Skyler Lawyer on this 12 day of May, 2025.



(SEAL)

  
Notary Public

My commission expires 8-8-27 [date].