

APR 05 2026

FILED

CERTIFICATION

April 5, 2026

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

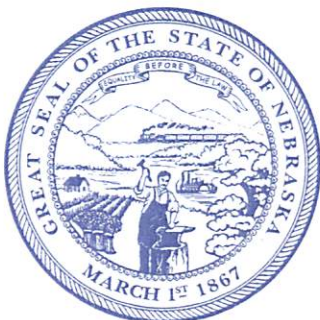
FARMERS MUTUAL UNITED INSURANCE COMPANY

AS OF

DECEMBER 31, 2024

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.



A handwritten signature in blue ink, appearing to read "Eric Dunning", is written over a horizontal line.

DIRECTOR OF INSURANCE

CERTIFICATE OF ADOPTION

Notice of the proposed report for the financial examination of

FARMERS MUTUAL UNITED INSURANCE COMPANY

502 NORTH LINDEN STREET

WAHOO, NE 68066

dated as of December 31, 2024, verified under oath by the examiner-in-charge on March 9, 2026, and received by the company on March 12, 2026, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 26th day of March 2026.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Tadd R. Wegner". The signature is written in a cursive style with a large initial 'T'.

Tadd Wegner, CFE
Chief Financial Regulator

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

FARMERS MUTUAL UNITED INSURANCE COMPANY

as of

December 31, 2024



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Wahoo, Nebraska
February 18, 2026

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:

FARMERS MUTUAL UNITED INSURANCE COMPANY
502 North Linden Street
Wahoo, Nebraska 68066

(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, 2020. The current financial condition examination covers the intervening period to and includes the close of business on December 31, 2024 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 both the NAIC Financial Condition Examiners Handbook (Handbook) and 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 which its business has been conducted 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, including provisions for disclosure of conflicts of interest to the Board of Directors, and the departmental organization of the Company. 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 Members, Board of Directors, and committees held during the examination period were read and noted. Attendance at meetings, proxy information, election of Directors and Officers, approval of investment transactions and authorizations of salaries were also noted.

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

Data reflecting the Company's growth during the period under review is reflected in the financial section of this report under the caption "Body of Report."

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 examination process. The Company's method of claims handling and procedures pertaining to the adjustment and payment of incurred losses were also noted.

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 to present the statement of the Company's financial condition as of December 31, 2024.

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

Effective January 1, 1986, the following corporations agreed to and completed consolidation: Concordia Mutual Insurance Company, Arlington, Nebraska; Farmers Mutual Insurance Association of Dodge County, Nebraska; and Farmers Mutual Insurance Company of Saunders County, Nebraska. In accordance with the Articles of Consolidation the new entity was named Farmers Mutual United Insurance Company, with its office being 444 North Linden, Wahoo, Nebraska. This location was the home office of the former Farmers Mutual Insurance Company of Saunders County.

On August 18, 1989, Farmers Mutual Agency, Inc. was formed as a subsidiary corporation with the issuance of 5,000 shares of common stock to its parent, Farmers Mutual United Insurance Company. The Company made additional capital contributions of \$2,000 on March 20, 1991, and \$3,000 on March 13, 1992. On January 21, 1994, the Company agreed to sell a 40% stake of Farmers Mutual Agency, Inc. to Pat Sullivan, an agent of the Company. This was approved by the Nebraska Department of Insurance on March 10, 1994, leaving the Company with 60% interest in the agency, or 3,000 shares of common stock of the 5,000 total shares outstanding.

The following mergers into the Company were completed with the approval of the Nebraska Department of Insurance:

German Farmers Insurance Company of York County	January 1, 1995
Farmers Mutual Insurance Company of Gage County	January 1, 2001
Farmers Mutual Insurance Company of Washington County	January 1, 2002
Mutual Insurance Company of Oakland, Nebraska	January 1, 2005
Douglas County Mutual Insurance Company	January 1, 2005

MANAGEMENT AND CONTROL

Holding Company

The Company is a member of an insurance holding company system as defined by Nebraska Statute. An organizational listing flowing from the “Ultimate Controlling Person,” as reported in the 2024 Annual Statement, is represented by the following (subsidiaries are denoted through indentations, and unless otherwise indicated, all subsidiaries are 100% owned):

Farmers Mutual United Insurance Company
Farmers Mutual United Agency, Inc. (60%)

Members

Article X of the Company’s Articles of Incorporation states that, “the annual meeting of the Members shall be held on or before May 31st of each year as required by law, the specific date to be set by annually by the Board of Directors.”

Section 3 of the Company’s By-Laws states that, “every person, corporation, association or partnership desiring insurance authorized by this association may become a Member by making a written application therefor upon a printed blank furnished by the association, which must contain a description of the property to be insured, be signed by the applicant, and by one Member of the association recommending the same, to be presented to the Secretary-Treasurer with the required assessment as designated by the Board of Directors and when his application

has been accepted and approved by the President and Secretary-Treasurer said applicant shall become a Member and his insurance shall be in force.”

Board of Directors

Article VIII of the Company’s Articles of Incorporation states that, “the general management of this corporation shall be vested in a Board of not less than nine (9) nor more than twelve (12) Directors, who shall be elected at the annual meeting of the corporation and shall act as such Directors until their successors are elected and qualified.”

Section 1 of the Company’s By-Laws states that, “the Board of Directors shall consist of not less than 9 nor more than 12 Members, all of whom shall be Members of the association and reside within the State of Nebraska. The Directors shall be elected at the annual meeting...each Director shall be elected for a 3-year term.”

The following individuals were serving as Directors on December 31, 2024:

<u>Name and Residence</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Kim Leif Benedict, Nebraska	Farmer	2025
Tom Sherman Ashland, Nebraska	Farmer	2025
Robert Alm Wahoo, Nebraska	Farmer	2026
Mark Rezac Valpraiso, Nebraska	Insurance Agent	2026
Matt Hannan Fremont, Nebraska	Farmer	2027

<u>Name and Residence</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Arnold Heyen Ceresco, Nebraska	Farmer	2027
Mark Johnson Oakland, Nebraska	Farmer	2027
Terry Rasmussen Arlington, Nebraska	Farmer	2027

Matt Hannan did not appear on the Jurat page of the Annual Statement. It is recommended that the Company accurately complete its Annual Statement and list all Directors.

All Directors receive \$250 per diem and are reimbursed for mileage at the Internal Revenue Service allowable rate for attendance at meetings, except the President of the Company who does not receive the per diem. The President is paid an annual director fee of \$3,750 plus mileage.

Officers

Section 2 of the Company’s By-Laws states that, “the Board of Directors shall elect one President and one Vice-President from among its Members and shall appoint and employ a Secretary-Treasurer as well as such other assistants as are deemed necessary.”

The following is a list of Officers elected and serving the Company on December 31, 2024:

<u>Name</u>	<u>Office</u>
Kim Leif	President
Mark Rezac	Vice-President
Anita Starns	Secretary-Treasurer

Committees

Section 2 of the Company’s By-Laws states that, “the President, Vice-President and Secretary-Treasurer shall constitute an Executive Committee who shall have the general management of the business of the association in the absence of the Board of Directors.”

The following individuals were serving on the Executive Committee on December 31, 2024:

Kim Leif
Anita Starns

Mark Rezac

TRANSACTIONS WITH AFFILIATES

Cost Allocation Agreement

The Company entered into a cost allocation agreement on August 2, 2000, with Farmers Mutual United Agency, Inc. Under this agreement, the Company allocates outlays that arrive from charges directly attributable to the agency directly to the agency. Rent for office space, including utilities, is provided to the agency at a cost of \$600 per month.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Company is licensed to transact business in the State of Nebraska only and is authorized to transact the kinds of insurance prescribed by Section §44-201, subsections (5) and (18) of the Nebraska Insurance statutes (property insurance and marine insurance).

Active production includes Burt, Cuming, Dodge, Douglas, Gage, Holt, Saunders, Washington, York, and their adjacent counties. Twenty-nine (29) agents currently handle new business and the servicing of renewals.

Policies are written for one-year terms with premiums payable annually or semi-annually. Agents receive a one-time commission of twenty percent (20%) for new property business. Renewal commissions and liability commissions are ten percent (10%) of net premiums written.

The Company also provides its members comprehensive personal and general liability coverage which is underwritten by Nebraska Farmers Mutual Reinsurance Association (NFMRA) through the Nebraska Farmers Agency.

REINSURANCE

Ceded

Each year under review, the Company obtained property reinsurance through NFMRA. The Company is insured for a portion of the ultimate net losses incurred on its originally issued policies for loss by fire, lightning, windstorm, hail, standard extended coverages, and other such coverages as may be approved by the Board of Directors of the NFMRA. This coverage applies to dwellings, churches, schools, and other real and personal property except growing crops, in any county in Nebraska. The term of the agreement is from January 1 to December 31, and a new agreement is entered into each year.

NFMRA is liable for 100% of the amount by which the Company's ultimate net losses incurred during the year exceed the ultimate retention. A preliminary retention is calculated based on the Company's insurance in force on December 31, of the immediately preceding year. The ultimate retention is calculated based on the average insurance in force and calculated after year end. The 2024 retention rate was \$950 per million of insurance in force.

If, prior to incurring ultimate net losses exceeding the preliminary retention, the Company incurs a reinsured loss of a single risk greater than \$40,000, NFMRA will assume 100% of the amount of that loss over the applicable excess per risk retention. Recoveries made under this provision greater than recoveries available under the aggregate coverage are deducted from subsequent aggregate recoveries. If the Company receives recoveries under this coverage but the net losses do not exceed the ultimate retention for the year, the amount recovered per risk between the Company's single risk retention and 1/8th of 1 percent (1%) of the Company's January 1 insurance in force is to be refunded prior to March 1 of the next year.

The Company retains the first \$1,000 of each risk, each loss, as respects mobile home risks located in trailer courts. The limit of coverage is \$48,000 per trailer court. Two or more trailers in one location constitute a trailer court.

The Company pays a rate of \$3,175 dollars per million dollars of fire and wind insurance in force as an initial assessment. The Board of Directors of NFMRA may levy special assessments upon the Company and other reinsured member companies at such times as it deems necessary to pay losses and expenses, and to augment and maintain NFMRA surplus.

The Company utilizes facultative coverage available through NFMRA. NFMRA provides this coverage through a Property Pro Rata Facultative Reinsurance Agreement placed by Guy Carpenter. This agreement has an effective date of January 1, 2024, and allows NFMRA and its members the option to cede excess liability. The cession is limited to five times the net retained liability and is subject to a maximum cession of \$700,000 and a minimum retention of \$100,000 as respects any one risk.

General

All contracts reviewed contained standard insolvency, arbitration, errors and omissions, and termination clauses where applicable. All contracts contained the clauses necessary to assure reinsurance credits could be taken.

BODY OF REPORT

GROWTH

The following comparative data reflects the growth of the Company during the period covered by this examination:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 655,951	\$ 747,309	\$ 1,197,239	\$ 970,156
Admitted assets	5,835,191	5,901,899	5,062,734	4,248,856
Total liabilities	4,364,466	5,085,390	5,282,226	5,342,118
Capital and surplus	1,470,725	816,509	(219,492)	(1,093,262)
Premiums earned	5,273,880	5,999,252	5,015,065	2,721,977
Net investment income	(51,182)	9,186	142,409	87,661
Losses incurred	3,817,584	4,349,993	4,699,106	1,352,733
Net income	(527,086)	(604,568)	(1,679,609)	(890,403)

FINANCIAL STATEMENTS

The following statement of admitted assets and liabilities, together with the accompanying summary of operations, reflects the financial condition of the Company on December 31, 2024 and its transactions during the year 2024 as determined through this examination. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT
December 31, 2024

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Bonds	\$ 970,156		\$ 970,156
Common stocks	9,000		9,000
Real estate occupied by the company	343,882		343,882
Cash and short-term investments	<u>2,893,396</u>		<u>2,893,396</u>
Subtotal, cash and invested assets	\$4,216,434		\$ 4,216,434
Investment income due and accrued	5,221		5,221
Uncollected premiums	27,201		27,201
Other amounts receivable under reinsurance contracts	1,760,563	\$1,760,563	
Furniture and equipment	<u>2,240</u>	<u>2,240</u>	
Total assets	<u>\$6,011,659</u>	<u>\$1,762,803</u>	<u>\$ 4,248,856</u>
 <u>Liabilities, Surplus, and Other Funds</u>			
Taxes, licenses and fees			\$ 70,782
Unearned premiums			5,245,994
Ceded reinsurance premiums			<u>25,342</u>
Total liabilities			\$ 5,342,118
Unassigned funds			<u>\$(1,093,262)</u>
Total liabilities, capital and surplus			<u>\$ 4,248,856</u>

STATEMENT OF INCOME – 2024

Underwriting Income

Premiums earned	\$ 2,721,977
Losses incurred	\$ 1,352,733
Loss adjustment expenses incurred	427,896
Other underwriting expenses incurred	<u>1,972,912</u>
Total underwriting deductions	<u>\$ 3,753,541</u>
Net underwriting gain	<u>\$(1,031,564)</u>

Investment Income

Net investment income earned	\$ 87,661
Net realized capital gain	<u>32,435</u>
Net investment gain	<u>\$ 120,096</u>

Other Income

Commission and adjusting income	\$ 21,879
Loss on disposal of assets	<u>(814)</u>
Total other income	<u>\$ 21,065</u>
Net income before federal income taxes	\$ (890,403)
Federal income taxes incurred	<u>0</u>
Net income	<u>\$ (890,403)</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Capital and surplus, beginning	\$1,787,460	\$1,470,725	\$ 816,509	\$ (219,492)
Net income	\$ (527,086)	\$ (604,568)	\$(1,679,609)	\$ (890,403)
Change in nonadmitted assets	17,471	11,222	8,236	4,479
Surplus adjustment	192,880	(59,707)	643,608	122,727
Amount posted to balance surplus		(1,163)	(8,236)	4,784
Examination adjustment	_____	_____	_____	(115,357)
Net change for the year	\$ (316,735)	\$ (654,216)	\$(1,036,001)	\$ (873,770)
Capital and surplus, ending	\$1,470,725	\$ 816,509	\$ (219,492)	\$(1,093,262)

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$(977,905), as reported in the Company's 2024 Annual Statement has been reduced to \$(1,093,262) as result of examination adjustments noted below:

	<u>Per Company</u>	<u>Per Examination</u>	<u>Surplus Increase (Decrease)</u>
<u>Assets</u>			
Cash	\$358,466	\$354,348	\$ (4,118)
Other receivables	111,239	0	(11,239)
<u>Net Increase (Decrease) to Surplus</u>			\$ (115,357)
Surplus as regards policyholders, December 13, 2024, per Company			(977,905)
Surplus as regards policyholders, December 31, 2024, per Examination			\$(1,093,262)

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:

Number of Directors – It is recommended that the Company ensure the number of Members serving on the Board of Directors is consistent with its By-Laws.

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.

Safekeeping Agreement – It is recommended that the Company execute safekeeping agreements with TD Ameritrade and Fidelity that are fully compliant with Title 210, Chapter 81.

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.

Outstanding Checks – It is recommended that the Company remit outstanding checks over five (5) years old to the State Treasurer as unclaimed property and review this on an annual basis.

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.

Reinsurance Commission – It is recommended that the Company amend its reinsurance agreement with Grange to include the necessary ceding commission changes.

Action: This recommendation is no longer applicable due to the arrangement with Grange being terminated.

Conflict of Interest – It is recommended that the Company require its Officers and Directors complete conflict of interest disclosures on an annual basis.

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.

Reserve Documentation – It is recommended that the Company maintain reserves for claims outstanding at year-end.

Action: The Company has complied with this recommendation.

Unearned Premium – It is recommended that the Company retain the unearned premium report at year-end that is used to complete the annual statement as support for future examinations.

Action: The Company has complied with this recommendation.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

Cash

The exam team noted three unverifiable accounts that contributed to the cash balance reported by the Company on page 2, line 5 of the 2024 Annual Statement.

Account 10100.1-Cash O/S 12-31-07 for \$119.00 was established in 2007 when the Company migrated data into its accounting system, Peachtree. Many of these outstanding checks also appear on the Company's bank reconciliation, so effectively they are being double counted.

Account 10200-Cash – Dividend A for \$2,906.72 was established in 2007 when the Company issued dividend checks to policyholders, setting up a separate bank account and general ledger account to account for the checks. The bank account does not exist anymore and these appear to be outstanding checks that should be unclaimed property.

Account 22900-Outstanding Checks for \$1,091.68 was established in 2007 after the Company migrated data into Peachtree for older outstanding checks. In 2013, it appears the Company remitted a larger amount than the account balance to the State Treasurer for unclaimed property. This left a debit amount in the account of \$1,091.68.

The Company explained that these are old accounts that have not been used in some time but have never been zeroed. It is recommended that the Company zero these accounts totaling \$4,117.40 and adjust surplus as they do not represent tangible assets or anticipated receivables.

Accounts Receivable

The exam team noted an unverifiable amount in account 13100 that contributed to the accounts receivable balance reported by the Company on page 2, line 2501 of the 2024 Annual Statement. The receivable amount of \$111,239.22 was a result of an adjusting journal entry made by the Company's CPA, HBE, LLP, in 2020. The Company explained that this account will be reduced to zero for future reporting. The exam team agrees and it is recommended that the Company zero this account and adjust surplus as it does not represent a legitimate receivable asset.

Safekeeping Agreement

It was noted during the review of the Company's safekeeping agreement with Fidelity Investments that not all requirements of Nebraska Department of Insurance Rules and Regulations, Title 210, Chapter 81 were included in the agreement. It is recommended that the Company amend its safekeeping agreement with Fidelity Investments to fully comply with Nebraska Department of Insurance Rules and Regulations, Title 210, Chapter 81, specifically subsections (f), (g), (m), (n), and (o).

Outstanding Checks

As noted in prior examinations, the Company should be completing a listing each year of unclaimed property. Neb. Rev Stat. §69-1302(e), states that, "any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable...has been outstanding for more than five years from the date it was payable..." is presumed abandoned under the Uniform Disposition of Unclaimed Property Act. In accordance with Neb. Rev. Stat. §69-1310, the Company shall report funds presumed abandoned under the Uniform Disposition of Unclaimed Property Act to the

State Treasurer. The report shall be filed before November 1 of each year as of June 30 next preceding. As of November 1, 2024, outstanding checks of \$19,922.26 should have been remitted to the State Treasurer. It is again recommended that the Company comply with the laws cited above.

Number of Directors

Article VII of the Company's Articles of Incorporation states that, "the general management of this corporation shall be vested in the Board of not less than nine (9) nor more than twelve (12) Directors, who shall be elected at the annual meeting of the corporation and shall act as such Directors until their successors are elected and qualified." As of December 31, 2024, the Company only had eight Directors serving on the Board. It is recommended that the Company ensure that the number of individuals serving on the Board of Directors complies with its Articles of Incorporation and By-Laws.

Conflict of Interest

It was noted during the review of Conflict of Interest statements that not all individuals included on the Jurat Page as Directors or Officers completed and signed statements. It is recommended that the Company obtain Conflict of Interest disclosures from all Officers and Directors on an annual basis, providing both a signature and date of completion.

Investment Limitations

It was noted during the review of the Company's investment plan that the Company sold its shares of Lord Abbett Floating Rate on June 17, 2022. This action caused the Company's equity securities composition of investments to fall below the 10% minimum threshold established by the investment plan. It is recommended that the Company either amend the

investment plan that was last updated during the third quarter of 2012 or address the deficient stock position to meet the existing minimum threshold.

SUBSEQUENT EVENT

MERGERS

On January 1, 2026, the Company merged with both Washington County Mutual Insurance Company and Scandinavian Mutual Insurance Company of Polk County. Both companies faced a sudden loss of management in the middle of 2025, which necessitated a merger on their part. The Company will assume the assets and liabilities for both companies as of January 1, 2026. The Company will write new policies for the existing insureds, beginning with policies renewing on March 1, 2026, or after. All policies are expected to be written by the Company as of February 28, 2027, or before. The existing home office of the Company will continue to serve as such, and the Company will continue to bill and service all active policies for the merged companies in 2026.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

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

Jurat Page - It is recommended that the Company accurately complete the annual statement to include all Directors on the Jurat Page.

Cash – It is recommended that the Company zero the three unused cash accounts totaling \$4,117.40 and adjust surplus as these accounts do not represent tangible assets or anticipated receivables.

Accounts Receivable – It is recommended that the Company zero account 13100 and adjust surplus as the reported receivable does not represent a legitimate asset.

Safekeeping Agreement - It is recommended that the Company amend its safekeeping agreement with Fidelity Investments to fully comply with Nebraska Department of Insurance Rules and Regulations, Title 210, Chapter 81.

Outstanding Checks – It is again recommended that the Company adhere to Neb. Rev Stat. §69-1302(e) and Neb. Rev Stat. §69-1310, by completing an annual listing of unclaimed property and reporting funds presumed abandoned under the Uniform Disposition of Unclaimed Property Act to the State Treasurer.

Number of Directors - It is recommended that the Company ensure the number of individuals serving on the Board of Directors complies with its Articles of Incorporation and By-Laws.

Conflict of Interest - It is recommended that the Company require its Officers and Directors to complete conflict of interest disclosures on an annual basis, providing both a signature and date of completion.

Investment Limitations - It is recommended that the Company either amend the investment plan that was last updated during the third quarter of 2012 or address the deficient stock position to meet the existing minimum threshold.

ACKNOWLEDGMENT

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

In addition to the undersigned, Alexis Anderson, CFE, 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 black ink, appearing to read "Isaak Russell". The signature is fluid and cursive, with a long horizontal stroke at the end.

Isaak Russell, CFE
Examiner-in-Charge
Department of Insurance
State of Nebraska

State of Nebraska,

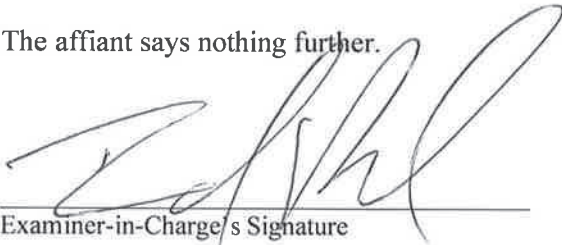
County of Lancaster,

Isaak Russell, 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 Farmers Mutual United Insurance 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 Farmers Mutual United Insurance Company

was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

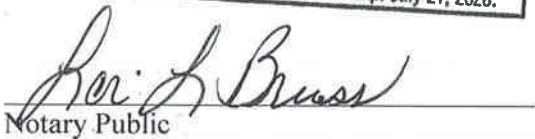
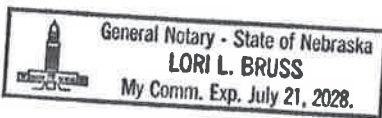
The affiant says nothing further.



Examiner-in-Charge's Signature

Subscribed and sworn before me by ISAIAK RUSSELL on this 9th day of MARCH, 20 26.

(SEAL)



Notary Public

My commission expires July 21, 2028 [date].