

MAY 23 2026

FILED

CERTIFICATION

May 23, 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

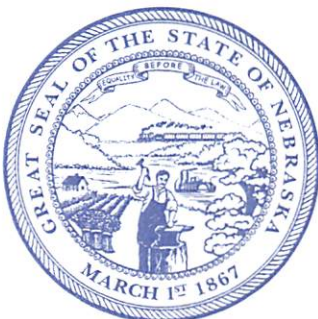
MUTUAL INSURANCE COMPANY OF SALINE AND SEWARD COUNTIES

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

MUTUAL INSURANCE COMPANY OF SALINE AND SEWARD COUNTIES

236 COUNTY ROAD 2000

CRETE, NE 68333

dated as of December 31, 2024, verified under oath by the examiner-in-charge on April 27, 2026, and received by the company on April 29, 2026, has been adopted with modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 13th day of May 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

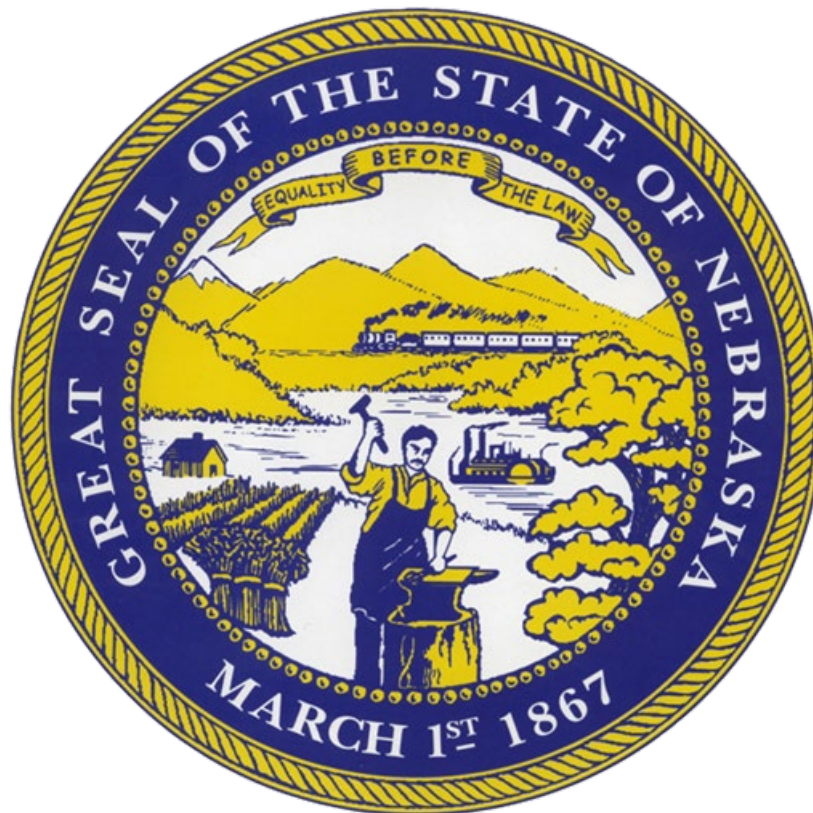
EXAMINATION REPORT

OF

MUTUAL INSURANCE COMPANY OF SALINE AND SEWARD COUNTIES

as of

December 31, 2024



Lincoln, Nebraska
April 8, 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:

MUTUAL INSURANCE COMPANY OF SALINE AND SEWARD COUNTIES
236 County Road 2000
Crete, Nebraska 68333

(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, 2019. 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 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 Members 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, 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

The Company was organized on June 12, 1890 as an assessment fire and lightning insurance company. It was incorporated on January 27, 1892 and restricted its writings to Saline and Seward Counties. On January 15, 1932, the Company's Articles of Incorporation were amended to allow the writing of insurance in Saline, Seward, and adjoining counties. A subsequent amendment on June 15, 1943, permitted the writing of fire and lightning, windstorm and tornado, and hail or other hazards as are authorized by statute. On April 11, 1947, the Articles were further amended to permit the writing of insurance on residence properties and contents in towns and cities with approved fire protection, and to provide that the corporate existence shall be until dissolved by law.

MANAGEMENT AND CONTROL

Members

Article 7 of the Company's Articles of Incorporation states that, "any person owning property in Saline and Seward and adjoining counties, Nebraska, may become a Member of this company by complying with its Articles of Incorporation and By-Laws, and shall be entitled to all the rights and privileges appertaining thereto." Article 16 of the Company's Articles of Incorporation states that, "the annual meeting of Members of this Company shall be held on or before April 30th of each year. The specific date and time of the annual meeting shall be set by the Board of Directors."

Board of Directors

Article 3 of the Company's Article of Incorporation states that, "there shall be five Directors, a majority of whom shall constitute a quorum for the transaction of business. All of

the elected Directors shall be Members of the association and reside within the state of Nebraska. The Directors shall be elected at the annual meeting.”

The following persons were serving as Directors at December 31, 2024:

<u>Name</u>	<u>Residency</u>	<u>Term Expires</u>
Dave Welsch	Milford, Nebraska	2025
Donald Jirsa	Milford, Nebraska	2026
Diana Pomajzl	Crete, Nebraska	2026
Kelly Pracheil	Milford, Nebraska	2027
John Retherford	Crete, Nebraska	2027

Directors are paid \$25 for each Board meeting attended.

Officers

Article 4 of the Articles of Incorporation states that, “the policy holders shall elect by ballot at each annual meeting from their number a President, Vice-President, Secretary, and Treasurer, the last two may be the same for one year or until their successors are elected and qualified.”

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

<u>Name</u>	<u>Office</u>
Jim Krejci	President
Bill Stahly	Vice-President
Cheryl Retherford	Secretary-Treasurer

For 2024, the President was paid a \$2,500 salary, and the Secretary-Treasurer was paid \$27,000.

FIDELITY BOND AND OTHER INSURANCE

A fidelity bond issued on the Secretary-Treasurer in the amount of \$25,000 is in place to protect the Company. This bond is issued by Nationwide Mutual Insurance Company, an authorized insurer.

Additionally, Nebraska Farmers Agency has been underwriting and processing liability insurance since the 1970s for Nebraska Farmers Mutual Reinsurance Association (“NFMRA”) members, which includes the Company. An Errors & Omissions policy covering agents who write liability through NFMRA has been purchased by Nebraska Farmers Agency. This coverage provides a \$1,000,000 policy limit subject to a \$5,000 per claim deductible and a \$15,000 aggregate deductible for the policy period. The premium is paid for by Nebraska Farmers Agency, Inc. This policy does not cover employees of the Company, or their agents, for lines other than casualty/liability.

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 writes fire, lightning, windstorm, tornado, hail, theft, and vandalism insurance coverage on farm dwellings, farm buildings, mobile agriculture equipment, county churches, and schools, and protected town and city dwellings and contents therein. An extended coverage endorsement is printed on the policy form and is included with all coverages. Policies are written for a five-year term and are subject to assessments as determined by the Directors. Any person owning property in Saline, Seward and adjoining counties may apply to become a member by making application for insurance and paying the annual premium currently in effect, subject to policy provisions, and terms and conditions as stated in the NFMRA contract.

REINSURANCE

The Company, as a member of NFMRA, used the reinsurance facilities of NFMRA for each year covered by this examination. Under the 2024 contract, the retention is calculated based on December 31, 2023 insurance in force with a retention rate of \$950 per million. After this aggregate retention limit was incurred, NFMRA assumed 100% of any additional liability. The Company's aggregate retention limit for 2024 was \$82,763.

Prior to incurring the above retention, the reinsurer assumes 100% of any insured loss on a single risk in excess of \$40,000. Any recoveries made that are greater than recoveries available under the aggregate coverage are deducted from subsequent aggregate recoveries. If the Company makes recoveries under this coverage but its net losses do not exceed its aggregate retention for the year, the amount recovered per risk between the single risk retention and 1/8th of 1% of the January 1 insurance in-force is to be refunded to NFMRA prior to March 1 of the next year. This excess per risk coverage is not applicable once the ultimate net losses exceed the ultimate retention.

This contract also provided that the Company retain for its own account the first \$1,000 of each risk, each loss, as respects mobile home risks located in trailer courts. NFMRA's limit of coverage shall be \$48,000 for losses in any one-trailer court, with two or more trailers in any one location constituting a trailer court.

The Company pays a rate of \$2,858 per million dollars of fire and wind insurance in-force at the beginning of the year as their premium.

General

The reviewed contract contained a standard insolvency clause, an arbitration clause, an offset clause, and an errors and omissions clause. The contract also contained the entire agreement

clause as required per SSAP No. 62R, paragraph 8c of the NAIC Accounting Practices and Procedures Manual.

BODY OF REPORT

FINANCIAL STATEMENTS

The following statement of income and disbursements, together with the accompanying statement of assets and liabilities, reflects the financial condition of the Company at December 31, 2024. All amounts are based on the findings of the current examination:

STATEMENT OF INCOME AND DISBURSEMENTS

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Balance, beginning of year	\$2,046,628	\$1,972,419	\$2,136,284	\$1,946,817	\$1,991,311
<u>Income</u>					
Total assessments and fees	\$ 405,661	\$ 397,151	\$ 428,885	\$ 507,436	\$ 574,612
Less return on cancellations	<u>2,243</u>	<u>6,349</u>	<u>6,196</u>	<u>3,137</u>	<u>1,202</u>
Net received from assessments	\$ 403,418	\$ 390,802	\$ 422,689	\$ 504,300	\$ 573,410
Interest on investments	27,872	35,775	11,411	29,985	59,337
Liability premium	15,830	15,019	15,170	14,709	17,718
Voided checks			4,793		
Department of Labor refund				344	
Department of Insurance refund					3,171
Reinsurance premium refund	13,553				11,443
Other miscellaneous	<u>342</u>	<u>4</u>	<u>684</u>	<u> </u>	<u> </u>
Total income	<u>\$ 461,014</u>	<u>\$ 441,600</u>	<u>\$ 454,747</u>	<u>\$ 549,338</u>	<u>\$ 665,079</u>

STATEMENT OF INCOME AND DISBURSEMENTS (continued)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Disbursements</u>					
Gross losses paid	\$ 296,108	\$ 140,619	\$ 778,539	\$ 349,764	\$ 393,100
Less recovered from reinsurance	<u> </u>	<u>101,437</u>	<u>378,831</u>	<u>217,393</u>	<u>231,921</u>
Net losses paid	<u>\$ 296,108</u>	<u>\$ 39,182</u>	<u>\$ 399,708</u>	<u>\$ 132,371</u>	<u>\$ 161,179</u>
Salaries of office employees	\$ 20,508	\$ 19,490	\$ 21,288	\$ 21,288	\$ 26,626
Salaries and expenses of Directors & Officers				580	620
Rent	1,200	1,200	1,200	1,200	1,200
Insurance department licenses & fees	4,645	14,358	6,415	8,327	9,854
All other taxes	3,969	3,802	5,160	4,468	5,068
Advertising, printing, and stationary	584	630	566	484	476
Telephone and postage	1,309	1,202	1,533	1,279	1,049
Reinsurance premiums paid	188,670	179,803	188,723	314,612	501,138
Liability premiums	13,259	13,149	12,795	12,361	14,253
Dues	3,809	3,454	3,912	4017	4,294
Office equipment				1531	
License, legal, etc.				1146	1,963
Checks, meetings, other misc.	<u>1,164</u>	<u>1,465</u>	<u>1,332</u>	<u>1,180</u>	<u>529</u>
Total expenses	\$ 239,117	\$ 238,553	\$ 242,925	\$ 372,472	\$ 567,070
Other disbursements			1,580		
Total disbursements	<u>\$ 535,224</u>	<u>\$ 277,735</u>	<u>\$ 644,213</u>	<u>\$ 504,843</u>	<u>\$ 728,249</u>
Balance, end of year	<u>\$1,972,419</u>	<u>\$2,136,284</u>	<u>\$1,946,818</u>	<u>\$1,991,311</u>	<u>\$1,928,141</u>

STATEMENT OF ASSETS AND LIABILITIES
December 31, 2024

ASSETS

Ledger Assets

Surplus note	\$ 246,479	
Certificates of deposit	1,370,949	
Other cash deposited in banks	<u>310,214</u>	
Total assets		<u>\$1,927,642</u>

Assets Not Admitted

Surplus note	<u>\$ 246,479</u>	
Total assets not admitted		<u>\$ 246,479</u>
Total admitted assets		<u>\$1,681,163</u>

LIABILITIES AND SURPLUS

Losses adjusted and unpaid	\$ 21,000	
Unearned premiums	202,283	
Outstanding Claims	43,426	
Premium Tax Payable	3,093	
Liability premiums payable	414	
Return Premiums	<u>94</u>	
Total liabilities		\$ 270,310
Surplus as regards Members		<u>\$1,410,853</u>
Total liabilities and surplus		<u>\$1,681,163</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:

Premium Tax Payable – It is again recommended that the amount of premium taxes due to the State of Nebraska be accrued as a liability for premium tax within the Annual Statement on page 5 line 34.

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

Conflict of Interest Statements – It is recommended that conflict of interest statements are signed by all Directors of the Board on an annual basis.

Action: The Company has complied with this recommendation.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

Recovered from Reinsurer

\$ 231,921

This item was included within the Company’s income statement as “Losses reimbursed.” However, as recoveries from the reinsurer, this amount should have been reported on the page 4, disbursements, line 4 “Less recovered from reinsurer.” It is recommended that the Company properly report its recoveries from reinsurers on the disbursement page, line 4 “Less recovered from reinsurer.”

Liability Premiums

\$ 14,253

The Company reported liability premiums of \$14,751 within the 2024 annual statement provided to the department, but later informed examiners that the correct amount was \$14,253. No recommendation is being made due to the immaterial difference.

Surplus Note

\$ 246,479

The Company purchased a surplus note from NFMRA in 2015. The surplus note bears an interest rate of 2.5% per annum. The surplus note is not considered a liability or claim against the assets of NFRMA. The principal and/or interest can be paid only when the amount of the surplus of the reinsurance association over all liabilities is double that of the amount of the principal and/or interest then being paid. The Company agreed to buy the note in lieu of realizing substantial increases in their reinsurance rates. The amount of the surplus note was confirmed with NFMRA.

The surplus note is non-admitted in the Company's 2024 Annual Statement in accordance with the NAIC Accounting Practices and Procedures Manual due to the restrictions based upon Membership with NFMRA, the fact that there is no established market or fair value, and that the notes have no independent rating.

Certificates of Deposit **\$1,370,949**

The Company had thirty-two certificates of deposit issued by various state banks totaling \$1,370,949. Certificates of deposit were verified by confirmations received from the respective banks.

Other Cash Deposited in Banks **\$ 310,214**

This asset consisted of two checking account balances and was verified by obtaining a certificate of valuation from Pinnacle Bank and Union Bank & Trust which represent the Company's only checking accounts.

Losses Adjusted and Unpaid **\$ 21,000**

The Company established a liability for unpaid losses in the amount of \$21,000. These unpaid losses were the estimated cost to settle the reported claims, as reported by NFMRA, for the years as of December 31, 2024.

Unearned Premiums **\$ 202,283**

The Company reported unearned premiums of \$202,283 in its December 31, 2024 Annual Statement. This amount was calculated by dividing each month's premium collected by 12 then multiplying each per month premium by the number of months remaining on the contract at year end.

Outstanding Claims

\$ 43,426

The Company reported a liability for outstanding claims, which represented claim payments that had been sent to the claimant but had not been deposited by year end.

Premium Tax Payable

\$ 3,093

The Company did not report a premium tax liability in its Annual Statement. The liability amount reported in the 2024 State of Nebraska Annual Tax Return was \$3,093. It is again recommended that this amount be accrued as a liability for premium tax within the Annual Statement on page 5 line 34.

Liability Premiums Payable

\$ 414

The Company reported liability premiums payable relating to December 2019 liability premiums.

Return Premiums Payable

\$ 94

The Company reported a liability for return premiums payable at December 2024.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

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

Premium Tax Payable – It is again recommended that the amount of premium taxes due to the State of Nebraska be accrued as a liability for premium tax within the Annual Statement on page 5 line 34.

Recovered from Reinsurer – It is recommended that the Company properly report its recoveries from reinsurers on the disbursement page, line 4 “Less recovered from reinsurer.”

ACKNOWLEDGMENT

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Davis", written over a horizontal line.

Brian Davis, CFE
Examiner-in-Charge
Department of Insurance
State of Nebraska

State of Nebraska,
County of Lancaster,

Brian Davis, 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 Mutual Insurance Company of Saline and Seward Counties.
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 Mutual Insurance Company of Saline and Seward Counties was performed in a manner consistent with the standards and procedures required by the Department of Insurance of the State of Nebraska.

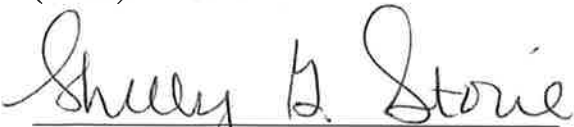
The affiant says nothing further.


Examiner-in-Charge's Signature

Subscribed and sworn before me by Brian Davis on this 27th day of April, 2026.



(SEAL)


Notary Public

My commission expires 1/16/28 [date].

Mutual Insurance Company of Saline & Seward Counties

Cheryl Retherford, Sec'y
236 County Road 2000
Crete, NE 68333-4273
Phone: 402-826-5451

May 15, 2026

Skyler Lawyer CFE
Assistant Chief Examiner
Nebraska Dept. of Insurance
1526 K Street, Suite 200
P.O. Box 95087
Lincoln, NE 68509-5087

RECEIVED

MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE

Dear Skyler,

Enclosed are the copies of signed and notarized affidavits from our 5 Board of Directors, President and Vice President.

Thank you!

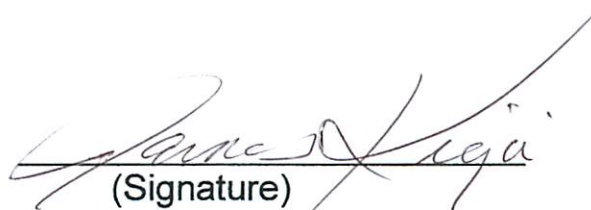
Sincerely,

Cheryl Retherford

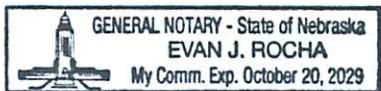
Cheryl Retherford, Sec'y-Treas.
Mutual Ins. Co. of Saline & Seward Counties
236 County Road 2000
Crete, NE 68333-4273


SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, James Krejci, Director of Mutual Insurance Company of
Saline and Seward Counties, have received and read the "Financial
Report" for Mutual insurance Company of Saline & Seward Counties as
of December 31, 2024.


(Signature)

Subscribed and sworn to before me, a Notary Public, this 8th day of May, 2026




(Notary Public)

RECEIVED

MAY 29 2026

NEBRASKA DEPARTMENT
OF INSURANCE

SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, William Stahly, Director of Mutual Insurance Company of
Saline and Seward Counties, have received and read the "Financial
Report" for Mutual Insurance Company of Saline & Seward Counties as
of December 31, 2024.

William Stahly
(Signature)

Subscribed and sworn to before me, a Notary Public, this 12 day of May, 2026



Lance K. Larsen
(Notary Public)

RECEIVED

MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE

SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, RONALD JIRSA, Director of Mutual Insurance Company of
Saline and Seward Counties, have received and read the "Financial
Report" for Mutual Insurance Company of Saline & Seward Counties as
of December 31, 2024.

Ronald Jirsa
(Signature)

Subscribed and sworn to before me, a Notary Public, this 7 day of May, 2026

Traci L. Stewart
(Notary Public)



RECEIVED

MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE

SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, DIANA L. POMAJZL, Director of Mutual Insurance Company of
Saline and Seward Counties, have received and read the "Financial
Report" for Mutual Insurance Company of Saline & Seward Counties as
of December 31, 2024.

Diana L. Pomajzl
(Signature)

Subscribed and sworn to before me, a Notary Public, this 7th day of May, 2026



Rochelle R. Bruha
(Notary Public)

RECEIVED

MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE

SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, Kelli Pracheil, Director of Mutual Insurance Company of
Saline and Seward Counties, have received and read the "Financial
Report" for Mutual Insurance Company of Saline & Seward Counties as
of December 31, 2024.

Kelli Pracheil
(Signature)

Subscribed and sworn to before me, a Notary Public, this 6th day of May, 2026



Rochelle Bruha
(Notary Public)

RECEIVED

MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE

SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, John Retherford, Director of Mutual Insurance Company of Saline and Seward Counties, have received and read the "Financial Report" for Mutual Insurance Company of Saline & Seward Counties as of December 31, 2024.

John Retherford
(Signature)

Subscribed and sworn to before me, a Notary Public, this 5th day of May, 2026



Vincent L. Krejci
(Notary Public)

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MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE

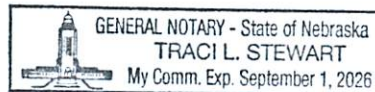
SIGNATURE OF DIRECTOR OF
MUTUAL INSURANCE COMPANY OF SALINE & SEWARD COUNTIES

I, David M. Welsh, Director of Mutual Insurance Company of Saline and Seward Counties, have received and read the "Financial Report" for Mutual Insurance Company of Saline & Seward Counties as of December 31, 2024.

David M. Welsh
(Signature)

Subscribed and sworn to before me, a Notary Public, this 6 day of May, 2026

Traci L. Stewart
(Notary Public)



RECEIVED

MAY 20 2026

NEBRASKA DEPARTMENT
OF INSURANCE