

APR 25 2022

FILED

CERTIFICATION

April 25, 2022

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

NEBRASKA FARMERS MUTUAL REINSURANCE ASSOCIATION

AS OF

DECEMBER 31, 2020

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

NEBRASKA FARMERS MUTUAL REINSURANCE ASSOCIATION

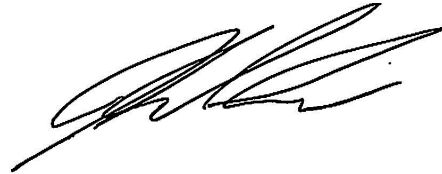
502 NORTH LINDEN STREET

WAHOO, NEBRASKA 68066

dated as of December 31, 2020, verified under oath by the examiner-in-charge on March 31, 2022, and received by the company on April 1, 2022, has been adopted without modification as the final report pursuant to Neb. Rev. Stat. § 44-5906(3) (a).

Dated this 15th day of April 2022.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read 'Justin C. Schrader', is written over a horizontal line.

Justin C. Schrader, CFE
Chief Financial Examiner

STATE OF NEBRASKA

Department of Insurance

EXAMINATION REPORT

OF

NEBRASKA FARMERS MUTUAL REINSURANCE ASSOCIATION

as of

DECEMBER 31, 2020

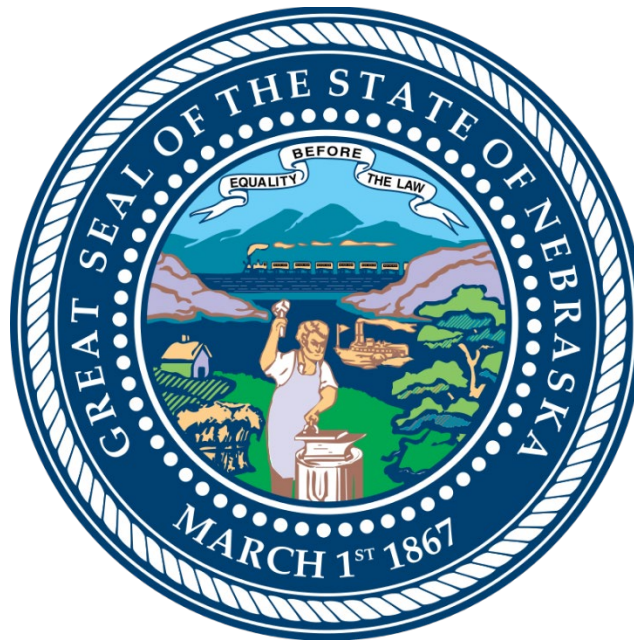


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Lincoln, Nebraska
February 15, 2022

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:

NEBRASKA FARMERS MUTUAL REINSURANCE ASSOCIATION
502 North Linden Street
Wahoo, Nebraska 68066

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

INTRODUCTION

The State of Nebraska last examined the Association as of December 31, 2016. The current financial condition examination covers the intervening period to and includes the close of business on December 31, 2020, 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 Association's operations and the manner in which its business has been conducted in order to determine compliance with statutory and charter provisions. The Association's history was traced and has been set out in this report under the caption "Description of Association." 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 Association. 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, 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 Association'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 Association's general plan of operation.

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

The Association'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 Association'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 Association 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, 2020.

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

DESCRIPTION OF ASSOCIATION

HISTORY

The Association was incorporated in 1931 as an assessment association. In 1960, the Articles of Incorporation were amended to grant the Association perpetual existence. On December 30, 1985, the Articles were again amended to increase the Association's writing authority to include liability coverage. The Association is authorized to transact all types and kinds of insurance as defined in Subsections (5), (10), and (18) of Section 44-201 of the Nebraska Insurance Laws (property insurance, liability insurance, and marine insurance).

MANAGEMENT AND CONTROL

Membership

Article I, Section 1 of the Association's By-Laws states, "only insurance associations or insurers approved by the Board of Directors shall be eligible to membership in this Association. Membership shall begin upon the taking effect of any reinsurance contract with this Association, and shall end on cancellation or other termination of said contract." Article VIII of the Association's Articles of Incorporation states, "the annual meeting shall be held in the city or town where the principal office of the Association shall be located on the third Wednesday in January of each year. The President, upon a petition signed by four Members of the Board, may

designate a city or town in the State of Nebraska other than the city or town in which the principal office of the Association is located for the purpose of holding any annual or special meeting, but notice of such designation must be mailed to each Member at least thirty (30) days prior to the date of such meeting. Nine (9) Members shall constitute a quorum to transact business at any annual or special meeting of the Association.”

As of December 31, 2020, the Association had thirteen (13) Member companies writing direct insurance coverage in Nebraska.

Surplus Notes

On December 22, 2014, the Association was authorized by the Nebraska Department of Insurance to issue surplus notes not to exceed \$7,500,000, at a rate of 2.5% per annum. The Association issued \$6,390,000 in surplus notes on January 1, 2015 to member companies, Lyle Dokulil and one other individual that wished to remain anonymous. The balance of the 2015 surplus notes issuance at December 31, 2020 was \$4,500,000.

Board of Directors

Article VII of the Association’s Articles of Incorporation states, “seven Directors shall constitute a Board to manage the affairs of the Association, any four of whom shall constitute a quorum to transact business... The regular term of Directors shall be for three years, and shall be staggered in such manner that there are no more than three whose terms of office shall expire in any one year. Directors must be Officers or Directors of Member associations or insurers. The Board of Directors shall meet each year immediately following the annual meeting of the Members...”

The following persons were serving as Directors at December 31, 2020:

<u>Name and Residence</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Doug Jones Osceola, Nebraska	President, Scandinavian Mutual Insurance Company of Polk County	2021
Loree Dahl Scribner, Nebraska	Secretary-Treasurer, German Mutual Insurance Company of Dodge County	2022
Tom Sieck Pleasant Dale, Nebraska	Secretary-Treasurer, Farmers Mutual Fire Insurance of Seward County	2022
Randy Johnson Oakland, Nebraska	Agent, Farmers Mutual United Insurance Company	2023
Darin Sterup Osceola, Nebraska	Secretary-Treasurer, Polk & Butler Mutual Insurance Company	2023
Mike Wingert Plainview, Nebraska	Secretary-Treasurer, Northern Nebraska United Mutual Insurance Company	2023

The Company had six Directors at year-end 2020 while the Article of Incorporation require seven. It is recommended that the Company ensure the number of Directors serving on the Board of Directors is consistent with the Articles of Incorporation.

Article II, Section 6 of the Association's By-Laws states, "each Director shall receive such sum for his services as the Board of Directors shall by resolution adopt. In addition to such sum, each Director shall be reimbursed for necessary expenses incurred by him on behalf of the Association. Directors who receive an annual salary shall receive no per diem, but shall be entitled to be reimbursed only for necessary expenses." As of December 31, 2020, Directors were compensated \$150 per meeting.

Officers

Article VI of the Association’s Articles of Incorporation states, “the Officers of this Association shall consist of a President, Vice President, and Secretary-Treasurer and such other Officers as the By-Laws may provide. Such Officers shall be elected by the Board of Directors at the annual meeting held immediately following the annual meeting of the Members of the Association. Vacancies may be filled at any regular or special meeting of the Board of Directors.”

The following is a listing of Officers elected and serving the Company at December 31, 2020:

<u>Name and Residence</u>	<u>Office</u>
Mike Wingert	President
Andy Dokulil	Secretary-Treasurer

The Association did not report a Vice-President on the December 31, 2020 Jurat Page. It is recommended that the Association elect a Vice President, per the Articles of Incorporation, and include them on the Jurat Page.

Committees

Article II, Section 5 of the Association’s By-Laws states, “the President, or in his absence or inability to serve, the Vice President, and the Secretary-Treasurer shall constitute an Executive Committee which shall have the general management of the business of the Association at all times when the Board is not in session, and shall perform such other duties as may be prescribed by the Board.” In 1971, the Board passed a resolution that the Executive Committee shall also serve as the Finance Committee. The Executive Committee, by Board approval, has served as the Finance Committee in each subsequent year. No formal minutes of the meetings of these

committees are maintained. However, at each annual and quarterly meeting of the Board of Directors, the investment report is presented and approved.

TERRITORY AND PLAN OF OPERATION

As evidenced by current or continuous Certificates of Authority, the Association 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), (10), and (18) of the Nebraska Insurance Statutes (property insurance, liability insurance, and marine insurance).

The Association's Articles of Incorporation authorize it to insure and reinsure, "(1) all types and kinds of property, casualty and marine insurance risks as defined in Subdivisions (1), (5), (6), (7), (8), (12) and (13) of Section §44-201 Revised Statutes of Nebraska 1943 as now or hereafter amended; (2) against loss or damage resulting from accident to or injury, fatal or non-fatal, suffered by an employee or other person for which the Insured covered by the original policy is liable; (3) against any hazard resulting from the ownership, operation, maintenance or use of any automobile, team, elevator, engine, tank, pipe or any vehicle or machine of any kind or description; (4) against loss or damage resulting from accident to, or injury, fatal or non-fatal, suffered by any employee or other person for which Insured is liable." Article V of the By-Laws limits this authorization to, "fire and lightning and extended coverage insurance on dwellings, churches, schools, and other types of non-commercial buildings, including appurtenances to the foregoing, and on non-commercial personal property in cities and villages; and on rural property, real or personal, except on growing crops, in any county in Nebraska. Tornado, windstorm, hail, and standard extended coverage insurance on dwellings, churches, schools, and other types of non-commercial buildings including appurtenances to the foregoing, and on non-commercial

personal property in cities and villages; and on rural property, real or personal, except on growing crops, in any county in Nebraska.”

The liability portion of business written by Member companies was underwritten exclusively by Acceptance Casualty Insurance Company (ACIC) until December 31, 2019. Beginning on January 1, 2020, the Association began writing liability for the Members through the Association, with 90% of the program reinsured. This business is processed through the Nebraska Farmers Agency, a corporation wholly owned by the former Secretary-Treasurer of the Association and current employee, Lyle Dokulil.

Such agency was formerly owned by the Association and sold to the Secretary-Treasurer in January of 1981. This transaction was unanimously approved by the Members of the Association at a regular meeting held on September 7, 1980.

Assessment Rates

Article VI of the Association’s By-Laws states, “the Board of Directors shall have power and authority to levy assessments in advance to meet expected losses and expenses of the Association, and to create, augment, and maintain a contingency fund... The Board of Directors shall, at their first meeting after the first day of each calendar year, estimate the amount required, in addition to estimated initial assessments, to meet the losses and necessary expenses of the Association for the current calendar year, and to augment and maintain the contingency funds, and shall thereupon levy an assessment in advance on the members of this Association based on the amounts reinsured, and the classification and rating of the risks reinsured, in an amount not exceeding the estimate so made.”

The Board of Directors and Members approved the 2020 premium rates for the respective base rate/retention levels as follows:

<u>Base Option</u>	<u>Base Rate w/ Loss</u>	<u>Base Retention</u>
Tier 1	\$1,224	\$2,700
Tier 2	1,242	2,700
Tier 3	1,261	2,700

<u>Base Option</u>	<u>Base Rate w/o Loss</u>	<u>Base Retention</u>
Tier 1	\$1,139	\$2,700
Tier 2	1,156	2,700
Tier 3	1,173	2,700

A Member may then choose to increase their retention for a savings in premium. This is done thru aggregate credit options available. These additional options are as follows:

<u>Option</u>	<u>% On Retention</u>	<u>Premium Reduction</u>
A	3.33%	45% of the additional retention amount
B	6.66	
C	10.00	

Each member company has its own credit/deficit balance based on its claims experience. The trailing five-year's premiums paid minus losses recovered determine a credit (positive) or deficit (negative) balance. If a member company has a 5 year loss ratio below 40%, its reinsurance premium rate is 90% of the base rate for the option chosen. If the 5 year loss ratio is between 40% and 100% its reinsurance premium is 100% of the base rate. If the 5 year loss ratio is over 100%, its reinsurance premium is 105% of the base rate and will remain there until such time that its 5 year loss ratio falls under 100%. Members are charged a rate per million of Insurance in Force based on their size. Each Member pays an initial premium based on the option they choose and the rate charged. If the Member goes the year without hitting their retention, they are refunded an amount of roughly 7.5% of their premium in a profit sharing mechanism.

Rates scheduled above are per million of fire and wind insurance in force at the beginning of the year. Member companies pay one-half of the initial assessment rate for any net increase or are refunded for any net decrease in the insurance in-force during the year.

REINSURANCE

Assumed

Under the agreements assumed from member companies for the calendar year 2020, the Association is liable for 100% of the amount by which a Member's aggregate net losses incurred during the year exceeds the 2020 Ultimate Retention. The Ultimate Retention is calculated based on the 2020 average insurance in force with a retention rate of \$2,700 per million of the fire or wind insurance in force, whichever is greater, as of January 1, 2020.

Prior to the Member incurring ultimate net losses exceeding its aggregate retention, the Association will assume 100% of the excess on a single loss greater than \$40,000, up to a maximum of \$660,000 (\$1,160,000 for single farm outbuildings and contents therein). Recoveries made under this provision that are greater than recoveries available under the aggregate coverage are deducted from subsequent aggregate payments. If the reinsured recovers 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 percent (1%) of the member's January 1st insurance in force must be refunded to the Association prior to March 1 of the next year.

The Members agree to retain 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 (2) or more trailers in one (1) location constitute a trailer court.

Most commercial risks are excluded from coverage under these assumed agreements.

Beginning in 2000, an article was added to the Association's contract requiring a withdrawal payment if the member company withdrawing has a deficit balance at the time of withdrawal. The withdrawal payment would equal 50% of the current year's assessment. This does not apply if the entity merges or consolidates with a member company who continues to be a member.

Ceded

The Association has in effect six (6) layers of Aggregate Excess reinsurance protection against losses assumed from the thirteen (13) member companies. These layers are as follows:

First Layer	\$5,000,000 XS \$3,000,000
Second Layer	\$7,000,000 XS \$8,000,000
Third Layer	\$10,000,000 XS \$15,000,000
Fourth Layer	\$10,000,000 XS \$25,000,000
Fifth Layer	\$20,000,000 XS \$35,000,000
Sixth Layer	\$17,000,000 XS \$55,000,000

Premiums for this coverage, by layer, follow:

First Layer	The greater of the minimum premium of \$1,600,000 or 49.93% per \$1,000 of average insurance liability in force. A deposit premium of \$2,000,000 is payable in \$500,000 quarterly installments.
Second Layer	The greater of the minimum premium of \$1,050,000 or 32.77% per \$1,000 of average insurance liability in force. A deposit premium of \$1,312,500 is payable in \$328,175 quarterly installments.
Third Layer	The greater of the minimum premium of \$716,000 or 22.34% per \$1,000 of average insurance liability in force. A deposit premium of \$895,000 is payable in \$223,750 quarterly installments.
Fourth Layer	The greater of the minimum premium of \$412,000 or 12.86% per \$1,000 of average insurance liability in force. A deposit premium of \$515,000 is payable in \$128,750 quarterly installments.
Fifth Layer	The greater of the minimum premium of \$600,000 or 18.72% per \$1,000 of average insurance liability in force. A deposit premium of \$750,000 is payable in \$187,500 quarterly installments.

Sixth Layer The greater of the minimum premium of \$319,600 or 9.97% per \$1,000 of average insurance liability in force. A deposit premium of \$399,500 is payable in \$99,875 quarterly installments.

General

The reviewed contracts contained a standard insolvency clause, an arbitration clause, an offset clause, and an errors and omissions clause. The contracts 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

GROWTH

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cash and short-term investments	\$2,350,910	\$3,099,499	\$3,290,871	\$4,494,103
Admitted assets	2,509,673	3,522,361	3,943,624	6,647,551
Loss reserves	847,402	339,667	624,715	901,503
Total liabilities	1,037,404	469,252	1,081,619	1,464,730
Capital and surplus	1,472,269	3,053,109	2,862,005	5,182,821
Premiums earned	3,410,462	3,146,289	3,822,526	3,902,479
Losses incurred	3,130,292	1,172,897	2,662,740	1,231,701
Net income	(144,674)	1,525,680	753,736	2,319,156

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Association with the State of Nebraska Department of Insurance and present the financial condition of the Association for the period ending December 31, 2020. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statements and should be considered an integral part of the financial statements. A reconciliation of the capital and surplus account for the period under review is also included.

FINANCIAL STATEMENT
DECEMBER 31, 2020

<u>Assets</u>	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Net Admitted Assets</u>
Cash and short-term investments	\$4,494,103		\$4,494,103
Subtotal, cash and invested assets	\$4,494,103		\$4,494,103
Uncollected premiums and agents' balances in the course of collection	263,756		263,756
Amounts recoverable from reinsurers	1,846,084		1,846,084
Furniture and equipment	23,898	\$23,898	
Excess risk advances	34,492		34,492
Advances to adjusters	<u>9,116</u>	<u> </u>	<u>9,116</u>
Totals	<u>\$6,671,449</u>	<u>\$23,898</u>	<u>\$6,647,551</u>

Liabilities, Surplus, and Other Funds

Losses		\$ 901,503
Taxes, licenses and fees		15,256
Unearned premiums		69,939
Ceded reinsurance premiums payable		178,032
Deferred revenue		<u>300,000</u>
Total liabilities		<u>\$1,464,730</u>
Surplus notes		\$4,500,000
Unassigned funds (surplus)		<u>682,821</u>
Total capital and surplus		<u>\$5,182,821</u>
Totals		<u>\$6,647,551</u>

STATEMENT OF INCOME – 2020

Underwriting Income

Premiums earned	\$3,902,479
Losses incurred	\$1,231,701
Loss adjustment expenses incurred	101,495
Other underwriting expenses incurred	<u>165,490</u>
Total underwriting deductions	<u>\$1,498,686</u>
Net underwriting gain	<u>\$2,403,793</u>

Investment Income

Net investment income earned	\$ (155,053)
Net investment gain	<u>\$ (155,053)</u>

Other Income

Commissions	70,416
Net income before federal income taxes	<u>\$2,319,156</u>
Net income	<u>\$2,319,156</u>

CAPITAL AND SURPLUS ACCOUNT

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital and surplus, beginning	<u>\$ 2,891,783</u>	<u>\$1,472,269</u>	<u>\$3,053,109</u>	<u>\$2,862,005</u>
Net income	\$ (144,674)	\$1,525,680	\$ 753,736	\$2,319,156
Change in net unrealized capital gains or losses				
Change in nonadmitted assets	55,160	55,160	55,160	1,660
Change in surplus notes	<u>(1,330,000)</u>	<u> </u>	<u>(1,000,000)</u>	<u> </u>
Net change for the year	<u>\$(1,419,514)</u>	<u>\$1,580,840</u>	<u>\$(191,104)</u>	<u>\$2,320,816</u>
Capital and surplus, ending	<u>\$ 1,472,269</u>	<u>\$3,053,109</u>	<u>\$2,862,005</u>	<u>\$5,182,821</u>

EXAMINATION CHANGES IN FINANCIAL STATEMENTS

Unassigned funds (surplus) in the amount of \$682,821, as reported in the Association's 2020 Annual Statement, has been accepted for examination purposes. Examination findings, in the aggregate, were considered to have no material effect on the Association's financial condition.

COMPLIANCE WITH PREVIOUS EXAMINATION RECOMMENDATIONS

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

Assessment Rates – It is recommended that the Association either comply with their By-Laws by establishing the rates and levying the assessment in the first meeting after the first day of each calendar year, or the Association should amend their By-Laws to comply with their current procedure of establishing rates and levying assessments in their 4th quarter meeting.

Action: The Association has complied with this recommendation.

Reinsurance Reporting – It is recommended that the aggregate excess contracts be amended to comply with SSAP No. 62R, paragraph 8d of the Accounting Practices & Procedures Manual and require formal reporting of premiums and losses on a no less than quarterly basis.

Action: The Association has complied with this recommendation.

Schedule F Presentation – It is recommended the Association fully complete all applicable sections of Schedule F in future filings.

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

Reinsurance Recoverables – It is recommended that the Association track their reinsurance recoverables accurately, and when preparing future Annual Statements, keep documentation relating to calculation of reinsurance recoverables to aide in future examinations.

Action: The Association has complied with this recommendation.

Funds Held by Company Under Reinsurance Treaties – It is recommended that the Association report its "Premiums advanced from reinsurer" amount from liabilities page, line 10 as "Funds held by company under reinsurance treaties" on liabilities page, line 13 and also in column 19 of Schedule F – Part 3.

Action: The Association has complied with this recommendation.

Claims Documentation – It is recommended that the Association require a written request and supporting documentation prior to making claim advances.

Action: The Association has complied with this recommendation.

Conflict of Interest – It is recommended the Association require their Officers and Directors to complete conflict of interest disclosures on an annual basis.

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

Non-admitted Assets – It is recommended the Association complete the Exhibit of Non-Admitted Assets and report non-admitted assets on the Assets Page in accordance with the NAIC Annual Statement Instructions.

Action: The Association has complied with this recommendation.

COMMENTARY ON CURRENT EXAMINATION FINDINGS

Schedule F Presentation

It was noted that the Association did not fully complete Schedule F – Parts 3-6 in its 2020 Annual Statement. It is recommended the Association review NAIC Annual Statement Instructions and fully complete all applicable sections of Schedule F in future filings.

Conflict of Interest

The Association does not have Officers or Directors fill out conflict of interest statements. It is recommended the Association require their Officers and Directors to complete conflict of interest disclosures on an annual basis.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

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

Number of Directors – It is recommended that the Company ensure the number of Directors serving on the Board of Directors is consistent with the Articles of Incorporation.

Election and Reporting of the Vice President – It is recommended that the Association elect a Vice President, per the Articles of Incorporation, and include them on the Jurat Page.

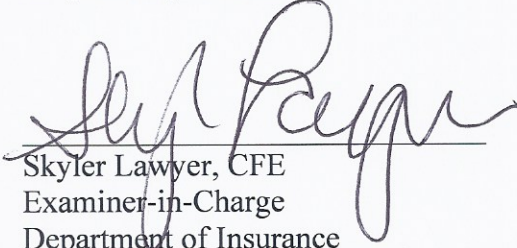
Schedule F Presentation – It is recommended the Association fully complete all applicable sections of Schedule F in future filings.

Conflict of Interest – It is recommended the Association require their Officers and Directors to complete conflict of interest disclosures on an annual basis.

ACKNOWLEDGMENT

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

Respectfully submitted,



Skyler Lawyer, CFE
Examiner-in-Charge
Department of Insurance
State of Nebraska

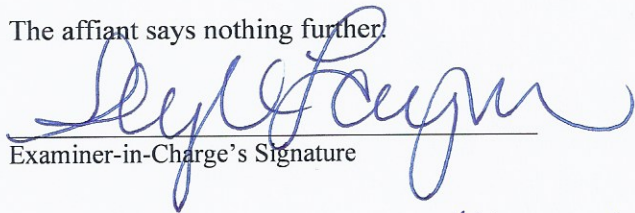
State of Nebraska,

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 Nebraska Farmers Mutual Reinsurance Association.
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 Nebraska Farmers Mutual Reinsurance Association 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.



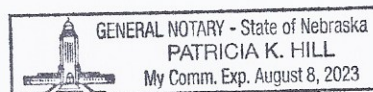
Examiner-in-Charge's Signature

Subscribed and sworn before me by Skyler Lawyer on this 29 day of March, 2022.

(SEAL)



Notary Public



My commission expires 8-8-23 [date].