

EXHIBIT A



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION
OF
EAST TENNESSEE MUTUAL INSURANCE COMPANY
BLOUNTVILLE, TENNESSEE

AS OF
DECEMBER 31, 2023

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Blountville, Tennessee
May 14, 2025

Honorable Carter Lawrence
Commissioner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, Tennessee 37243

Dear Commissioner:

In accordance with your instructions and pursuant to Tennessee Code Annotated (“Tenn. Code Ann.”) § 56-1-408, a full-scope financial examination and market conduct review, as of December 31, 2022, has been made of the condition and affairs of:

EAST TENNESSEE MUTUAL INSURANCE COMPANY

NAIC # 13651
3188 Highway 126
Blountville, Tennessee 37617

hereinafter referred to as the “Company” or “ETMIC” and a report thereon is submitted as follows:

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCl or “Department”). The examination was conducted by duly authorized representatives of the Department. This examination was called through the National Association of Insurance Commissioners (NAIC) Financial Examination Electronic Tracking System (FEETS).

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2018. This examination covers the period January 1, 2019, through December 31, 2023, and includes any material transactions and/or events occurring subsequent to the examination date. The Company is not part of a holding company group that includes other insurance entities; therefore, no examination coordination with any other states was necessary.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with practices and procedures promulgated by the NAIC in the *Financial Condition Examiners Handbook* (“Handbook”), as deemed appropriate. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management’s compliance with statutory accounting principles and annual statement instructions.

All significant risks were considered when planning which key activities and accounts would be examined. The key activities included: Investments; Surplus; Reinsurance – Ceding Insurer; Reserves/Claims Handling; and Underwriting/Pricing/Premiums.

An information technology (IT) specialist was not utilized in the examination review of the Company’s IT general controls (ITGC).

An actuarial firm was not utilized in the examination review of the Company’s loss and claims reserves.

The Company’s certified public accountant (CPA) workpapers were reviewed for the 2023 audit and incorporated into the examination, as deemed appropriate.

A separate market conduct review was performed concurrently with the financial examination. See the “Market Conduct Activities” section of this report.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

The examination included a review to determine the current status of the comments and recommendations from the previous report of examination dated March 4, 2020, which covered the period from January 1, 2014, through December 31, 2018. The previous full-scope examination contained two (2) comments and one (1) recommendation, detailed below, which were remediated prior to the conclusion of the prior examination.

Comments

1. It was noted the Company did not maintain a complaint log as required by Tenn. Code Ann. § 56-8-104(11).

Corrective Action

The Company created a complaint log and formal complaint procedures in compliance with Tenn. Code Ann. § 56-8-104(11).

There were no issues concerning compliance with Tenn. Code Ann. § 56-8-104(11) during the period covered by this examination, as of December 31, 2023.

2. It was noted that the Company's application form did not contain the fraud statement required by Tenn. Code Ann. § 56-53-111(b)(1)(A).

Corrective Action

The company added the required statement to its application form.

No issues concerning compliance with Tenn. Code Ann. § 56-53-111(b)(1)(A) were noted in this examination, as of December 31, 2023.

Recommendation

1. It was noted the Company did not comply with Tenn. Code Ann. § 56-22-108(c). The Company obtained a line of credit to pay claims and operating expenses in 2016 and 2017. Notification of the loan was not submitted to TDCI as required.

Corrective Action

The Company closed the line of credit in February 2020 and no further issues were noted during this examination, as of December 31, 2023.

COMPANY HISTORY

ETMIC was incorporated on September 24, 1896, under the provisions of the Tennessee Business Corporation Act, as a non-profit mutual benefit corporation. The Company commenced business on September 24, 1896. On June 10, 2009, the Company was issued its most recent Certificate of Authority (COA) to transact the business of insurance pursuant to Tenn. Code Ann. §§ 56-22-101 *et seq.* The Company was initially organized as a county mutual fire insurance company (county mutual). The business purpose, at the time of incorporation, was to insure loss or damage to property due to fire or lightning.

During 2009, the Company applied to transact property business in Sullivan County, Tennessee, and all counties contiguous to Sullivan County. The Company's COA was revised on March 5, 2009, reflecting the new business and authorized the Company to write fire, lightning, hail, extended coverage, tornado, and liability coverages. Since the Company has permission from the TDCI to write liability coverage, pursuant to Tenn.

Code Ann. § 56-22-106(b)(1), the Company is subject to the same limitations applicable to other domestic insurance companies writing the same transactions.

On December 23, 2013, Johnson County Mutual Fire Insurance Company was merged into the Company. The Plan of Acquisition was approved by Order of the Commissioner No.13-152 dated December 23, 2013.

On October 6, 2020, the Department approved ETMIC's application seeking to amend its COA converting from a county mutual to a traditional property and casualty insurer. At the same time, the Department approved the dissolution of East Tennessee Mutual 1986 Agency, the Company's affiliated insurance agency.

ETMIC acquired Farmers Aid Association - A County Mutual Insurance Company, in a merger approved by the Commissioner on August 10, 2022. The merger called for ETMIC to be the only surviving entity.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

Management of the Company is vested in a Board of Directors ("Board"), elected annually by its policyholders (members). One-third (1/3) of the Board is elected at each annual meeting and serves a term of three (3) years. In accordance with the Company's Bylaws, the Board shall consist of at least six (6) directors.

The following persons were duly elected by the members and serving as directors of the Board as of December 31, 2023:

<u>Name</u>	<u>Principal Occupation</u>
Art Meadows	President, East Tennessee Mutual Insurance Company
William Pierce	Retired
Jamie Ketron, CPA	Vice President, East Tennessee Mutual Insurance Company
Barbara Lambert	Secretary & Treasurer, General Manager, East Tennessee Mutual Insurance Company
Lisa Cunningham	Chief Financial Officer & Controller, Samet Corporation
Heather Parker	Domestic Engineer
Keith Brickley	Senior Program Manager, BEGiN
Joe Alexander	Farmer, Self-Employed
James Fairweather	Owner, Fairweather Financial

Officers

The Board shall elect officers, appoint all committees, and fix the salaries of all officers and committees at the members' meeting in March of each year.

The Bylaws provide that the officers must consist of a President, Vice President, Secretary, and Treasurer. The officers of the Company shall hold office at the pleasure

of the Board unless removed by the Board following the date of their election and until their successors are duly elected.

The following officers were duly elected by the Board and were serving as officers of the Company as of December 31, 2023:

<u>Name</u>	<u>Title</u>
Art Meadows	President
Jamie Ketron, CPA	Vice President
Barbara Lambert	Secretary & Treasurer, General Manager

COMMITTEES

The Board installed committees to provide oversight for the affairs of the Company. The Board appointed the following committees, which were in place as of December 31, 2023:

Executive Committee

The Executive Committee can exercise all the power of the Board which may be lawfully delegated when the Board is not in session. The Executive Committee has not been active during this examination period. The following individuals were serving on the Executive Committee as of December 31, 2023:

<u>Name</u>	<u>Title</u>
Art Meadows (Chair)	President
Jamie Ketron, CPA	Vice President
Barbara Lambert	Secretary & Treasurer, General Manager

Governance Committee

The duties and responsibilities of the Governance Committee includes a review of Bylaws, making recommendations of necessary changes, keeping the Company in compliance with its Bylaws and State of Tennessee laws, and ensuring that the Governance Committee reflects the views/purposes of the Board. Other duties and responsibilities include assessment of internal Board reviews; assessing Board efficiency; assessing Board capacity; assessing the Company's compliance with its Code of Ethics; and assessing Board manuals.

The following individuals were serving on the Governance Committee as of December 31, 2023:

<u>Name</u>	<u>Title</u>
Art Meadows	President
Jamie Ketron, CPA	Vice President
Barbara Lambert (Chair)	Secretary & Treasurer, General Manager
Heather Parker	Director
Keith Brickley	Director

Finance Committee

The purpose of the Finance Committee is to review all bank and investment statements; approve investment transactions; oversee/review all company financial wellbeing; review/recommend budget items; and review/recommend rate changes. The following individuals were serving on the Finance Committee as of December 31, 2023:

<u>Name</u>	<u>Title</u>
Art Meadows	President
Jamie Ketron	Vice President
Barbara Lambert (Chair)	Secretary & Treasurer, General Manager
Lisa Cunningham	Director

CONTROL

The Company's Bylaws define a member as a person having insurance with the Company. The Company is equally owned by its members. The Company has never issued any shares of capital stock or established guaranteed capital.

The members' meeting of the Company is held at the Company's office in Blountville, Tennessee or other published locations on the second Wednesday in March of each year.

Meetings of the Board may be held immediately following the adjournment of each members' meeting. The Board may, by resolution, provide for other meetings of the Board. There are three (3) additional meetings throughout the year; whereby, the dates and location will be determined by an officer of the Company. Notice of any special meeting of the Board will be provided at least three (3) days before the day on which the meeting is to be held.

Voting may be completed in person, electronically or virtually, via teleconference, webinar, including electronic delivery by text, email, etc.

SUBSIDIARIES AND AFFILIATED COMPANIES

The Company currently has no established or acquired subsidiaries.

CORPORATE RECORDS

The minutes of the members', directors', and committees' meetings were reviewed for the period under examination. The minutes reflected adequate approval and support for the Company's transactions. The minutes were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates that all investment transactions were approved by the Board pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

Charter

Effective January 1, 2020, the Company's Charter was amended to include that the Company is permitted to engage in any lawful business, including, without limitation, to carry on the business of mutual insurance as provided in Tenn. Code Ann. §§ 56-19-101 *et seq.* No other amendments or restatements were made to the Company's Charter during the period of examination.

Bylaws

The Company's Bylaws were amended three (3) times during the examination period and one (1) additional time subsequent to the examination period, in February of 2024.

Effective March 6, 2019, changes to Article V, Section 4, were amended by changing and notating that directors must disclose conflicts of interest, which it now reads:

Article V, Section 4. Qualifications. Any person is eligible to be elected to the office of Director, provided they shall have their name presented in nomination to the Secretary at least sixty (60) days before the election, accepted by a majority of the Board or the Executive Committee. Any direct or indirect conflict of interest of any Director must be disclosed to the Board and the Board must vote, in accordance with Article IV, to waive the conflict of interest and allow the Director to remain on the Board.

Effective January 1, 2020, changes to Article II – Purpose were made to state:

Article II – Purpose. The purpose of this Company is to engage in any lawful business, including, without limitation, to carry on the business of mutual insurance as provided in Tenn. Code Ann. §§ 56-19-101 *et seq.*

Also added under Article XI - Indemnification of Directors, Officers and Employees:

Article XI – Indemnification of Directors, Officers, and Employees. Nothing set forth in this Article is in derogation of the charter of the Company, as amended and restated, which provides that, to the fullest extent permitted under Tenn. Code Ann. § 48-52-102(b), but except as limited thereby, the personal liability of a Director to the Company or its members is eliminated for monetary damages (a) for breach of fiduciary duty as a Director or (b) for any action taken, or any failure to take any action, as a Director.

Effective August 10, 2022, the following was added to Article V, Section 6 – Directors:

Article V, Section 6. Removal of Director – Any Director may be removed at any time, either for or without cause, upon the affirmative vote by at least two-thirds (2/3) of the current active Directors entitled to vote for the election of such Director.

AGREEMENTS WITH PARENT, SUBSIDIARIES, AND AFFILIATES

The Company was not a party to any affiliated agreements as it has no affiliates as of December 31, 2023.

TERRITORY AND PLAN OF OPERATION

TERRITORY

The Company is licensed to transact business throughout the state of Tennessee. As of December 31, 2023, the Company was writing business in the following counties in Tennessee:

Anderson	Greene	Knox	Monroe
Blount	Hamblen	Loudon	Roane
Carter	Hawkins	McMinn	Sullivan
Grainger	Johnson	Meigs	Washington

The Company's Tennessee premium tax records were reviewed, and no exceptions were noted.

PLAN OF OPERATION

The Company provides its members with coverage on dwelling homes, rental homes, modular homes, mobile homes, farm buildings, livestock, personal property, farm machinery, and churches in case of loss due to fire, wind, hail, lightning, or theft.

The Company writes business through two (2) licensed in-house agents and six (6) local insurance agencies.

The agents perform a visual inspection of the property, photograph the property, and determine the value prior to the issuance of the policy. The Company's General Manager approves or rejects all policy applications prepared by the agents. Policies are typically written for at least eighty percent (80%) of the actual cash value of the property insured, subject to the policy limits.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to the examination, according to its annual statements, as filed with the TDCI:

<u>Year</u>	<u>Admitted Assets</u>	<u>Liabilities</u>	<u>Capital and Surplus</u>	<u>Premiums Earned</u>	<u>Net Income</u>
2023	\$3,562,220	\$426,202	\$3,136,018	\$708,034	(\$71,160)
2022	\$3,649,217	\$437,563	\$3,211,654	\$741,909	(\$45,766)
2021	\$3,949,908	\$442,900	\$3,507,008	\$522,609	\$28,765
2020	\$3,978,031	\$468,720	\$3,509,311	\$524,717	\$82,078
2019	\$3,898,580	\$534,063	\$3,364,517	\$574,675	\$263,559

LOSS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements, the ratios of losses incurred to direct premiums earned, for the period subject to the examination were as follows:

<u>Year</u>	<u>Losses Incurred</u>	<u>LAE Incurred</u>	<u>Premiums Earned</u>	<u>Loss Ratio</u>
2023	\$461,675	\$147,372	\$708,034	86.02%
2022	\$234,885	\$201,629	\$741,909	58.84%
2021	\$145,838	\$129,354	\$522,609	52.66%
2020	\$81,306	\$117,004	\$524,717	37.79%
2019	\$11,492	\$105,032	\$574,675	20.28%

REINSURANCE AGREEMENTS

Reinsurance Assumed

The Company did not assume any business during the examination period.

Reinsurance Ceded

The Company has four (4) reinsurance contracts with multiple reinsurers brokered by Guy Carpenter, including property per risk excess of loss, property catastrophe excess of loss, casualty quota share, and aggregate excess of loss reinsurance agreements. The Company also has an additional one hundred percent (100%) quota share reinsurance agreement for Company liability associated with business equipment breakdown, employment practices, farm-owners equipment breakdown, home systems protection, identity recovery, service line, or cyber suite coverage. All of the reinsurers are licensed carriers approved to transact business in the State of Tennessee. The agreements were found to contain such language as recommended by the NAIC and as required for reinsurance credit pursuant to Tenn. Code Ann. § 56-2-207(a)(2).

These agreements appear to effectuate proper transfer of risk in accordance with SSAP No. 62R and NAIC guidelines.

The AM Best Rating for all reinsurers for YE 2023 was A- or better.

ACCOUNTS AND RECORDS

The Company's general accounting records consisted of an automated general ledger and various subsidiary ledgers (e.g. cash receipts, cash disbursements). Our review did not disclose any deficiencies in these records.

During the course of the examination, accounts were verified by various tests and procedures deemed necessary to confirm values for assets and liabilities appearing in the Company's financial statements. General ledger balances were reconciled with the financial statements and were reviewed for completeness of disclosure and conformity to NAIC Accounting Practices and Procedures, as permitted by Tenn. Code Ann. § 56-1-501(g).

On September 25, 2023, the Tennessee Commissioner exempted the Company from Tenn. Code Ann. § 56-1-419(a) which would have required the Company to submit an actuarial opinion on or before March 1, 2024.

The Company's books and records are located in Blountville, Tennessee.

MARKET CONDUCT ACTIVITIES

A market conduct review was made of the Company as of December 31, 2023, in conjunction with the financial examination. The following items were addressed:

Operations and Management Standards

Company antifraud initiatives were examined and found to comply with Tenn. Code Ann. § 56-53-111.

Company procedures and policies relating to privacy of consumer information were examined to ensure the Company had developed and implemented written policies and procedures for the management of confidential and personal insurance information. As a result of the examination, no issues or concerns were noted.

Complaint Handling Practices

During the examination, both the Company's complaint handling procedures and the complaints it received were reviewed. The complaints received were reviewed to ensure the Company takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations, and contract language. No issues were noted.

Marketing and Sales Standards

Advertising, sales, and training materials used by the Company were examined for compliance with Tenn. Code Ann. §§ 56-8-104 (1, 2, and 3) and the NAIC *Market Regulation Handbook* ("Market Handbook") and were found to be in compliance.

Producer Licensing Standards

Tenn. Code Ann. §§ 56-6-101, *et seq.*, requires the Company to sell its products and services through producers who are properly licensed and appointed by the Company. In the examination of producer licensing, a random sample of producers was selected, and their state-issued licensure and appointment by the Company was verified. As a result of examination, no issues or concerns were identified.

Policyholder Services Standards

The Company's timeliness of policy issuance, premium billing, response to policyholder requests, provision of adequate disclosures, and compliance with applicable statutes and rules were examined. The Company was found to be in compliance with the relevant market conduct standards set forth within the Market Handbook and Tenn. Code Ann. § 56-8-104.

Underwriting and Rating Standards

In the examination of the Company's underwriting procedures and policy administration, a sample of in-force policies was reviewed for compliance with Tenn. Code Ann. §§ 56-5-105, 56-5-106, and 56-8-104, and Tenn. Comp. R. & Regs. 0780-01-34 and were found to be in compliance.

Claims Handling Standards

In the examination of claims handling practices, the Company's efficiency of claims handling, accuracy of payment, adherence to contract provisions, and compliance with applicable statutes and rules were examined. In conducting the examination, random samples were selected from claims approved and claims denied by the Company. No exceptions were identified regarding prompt settlements upon receipt of proper evidence of the Company's liability.

SUBSEQUENT EVENTS

During the examination, a review of subsequent events was performed. No events were noted that required additional disclosure in the examination report. Management stated in its Letter of Representation that they were not aware of any events subsequent to December 31, 2023, that could have a material effect on the Company's financial condition. Our review confirmed the Company's disclosures in its 2023 Annual Statement and in its Letter of Representation.

FINANCIAL STATEMENTS

There follows a statement of assets, liabilities, surplus and other funds, and a statement of income, as of December 31, 2023, together with a reconciliation of capital and surplus for the period under review, as reported by the Company in its 2023 Annual Statement, with the exception of certain instances where totals differ slightly due to rounding.

ASSETS

	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds	\$2,448,088		\$2,448,088
Common stocks	765,126		765,126
Real Estate – Properties occupied by company	19,752		19,752
Cash, cash equivalents, and short-term investments	140,046		140,046
Investment income due or accrued	25,687		25,687
Premiums and considerations:			
Uncollected premiums and agents' balances in the course of collection	14,831		14,831
Deferred premiums, agents' balances and installments booked but deferred and not yet due	116,923		116,923
Amounts recoverable from reinsurers	12,574		12,574
Current federal and foreign income tax recoverable and interest thereon	2,555		2,555
Net deferred tax asset	79,322	\$62,684	16,638
Electronic data processing equipment and software	355	355	0
Total Admitted Assets	<u>\$3,625,259</u>	<u>\$63,039</u>	<u>\$3,562,220</u>

LIABILITIES, CAPITAL, AND SURPLUS

Losses	\$20,000
Loss adjustment expenses	0
Other expenses	7,435
Unearned premiums	367,911
Advance premium	26,453
Ceded reinsurance payable	6,654
Amounts withheld or retained by company for account for others	<u>(2,251)</u>
Total Liabilities	426,202
Unassigned funds (surplus)	<u>3,136,018</u>
Total Capital and Surplus	<u>3,136,018</u>
Totals	<u>\$3,562,220</u>

STATEMENT OF INCOME

UNDERWRITING INCOME

Premiums earned		\$708,034
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DEDUCTIONS

Losses incurred	\$461,675	
Loss adjustment expenses incurred	147,372	
Other underwriting expenses incurred	<u>368,069</u>	
Total underwriting deductions		<u>977,116</u>
Net underwriting gain (loss)		(269,082)

INVESTMENT INCOME

Net investment income earned	105,634	
Net realized capital gains (losses)	<u>94,025</u>	
Net investment gain (loss)		199,659

OTHER INCOME

Net gain (loss) from agents' or premium balances charged off		<u>0</u>
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Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes		<u>(69,423)</u>
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Net income after dividends policyholders, after capital gains tax and before all other federal and foreign income taxes		(69,423)
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Federal and foreign income taxes incurred		<u>1,737</u>
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Net Income		<u>(\$71,160)</u>
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SURPLUS ACCOUNT

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital and surplus,					
December 31, previous year	\$3,211,654	\$3,507,008	\$3,077,584	\$2,950,187	\$2,669,906
Net income or (loss)	(71,160)	(45,766)	28,765	82,078	263,559
Change in net unrealized capital gains (losses)	(5,252)	(149,556)	(33,943)	56,314	12,267
Change in net deferred income tax	23,806	(772)	7,362	(11,626)	(48,182)
Change in non-admitted assets	(23,030)	(37,109)	5,634	631	52,637
Change in provision for reinsurance					
Aggregate write-ins for gains and losses in surplus		(62,151)	(12,485)		
Net change in capital and surplus for the year	(75,636)	(295,354)	(4,667)	127,397	280,281
Capital and surplus,					
December 31, current year	\$3,136,018	\$3,211,654	\$3,072,917	\$3,077,584	\$2,950,187
Farmers Aid Association Surplus	<u>\$3,136,018</u>	<u>\$3,211,654</u>	<u>\$3,507,008</u>	<u>\$3,077,584</u>	<u>\$2,950,187</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Surplus

\$3,136,018

Total surplus, as established by this examination, is the same as reported by the Company in its 2023 Annual Statement. There were no changes made to any asset or liability items as a result of our examination performed as of December 31, 2023.

COMMENTS AND RECOMMENDATIONS

The examination did not identify any comments and recommendations to be noted in this report:

Comments

No comments were noted as a result of the examination.

Recommendations

No recommendations were noted as a result of the examination.

CONCLUSION

Rules and procedures as prescribed by the statutes of the State of Tennessee and guidance from the NAIC Handbook, as deemed appropriate, have been followed in connection with the verification and valuation of assets and the determination of liabilities of East Tennessee Mutual Insurance Company.

In such manner, it was found that as of December 31, 2023, the Company had admitted assets of \$3,562,220 and liabilities, exclusive of surplus, of \$426,602. Thus, there existed for the protection of the policyholders, the amount of \$3,136,018 in the form of unassigned funds. Tenn. Code Ann. §§ 56-2-114 and 56-2-115 require an insurer of this Company's type to maintain a minimum surplus of \$1,000,000 and additional surplus of \$1,000,000, respectively. For this examination, as of December 31, 2023, the Company maintains surplus sufficient to satisfy these requirements.

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Derek Petersen, CFE of Lewis and Ellis, LLC, participated in the work of this examination.

Respectfully submitted,


Mel Heaps (Jun 10, 2025 15:12 CDT)

06/10/2025

Mel Heaps, CFE
Examiner-in-Charge
Lewis and Ellis, LLC
Representing the State of Tennessee



06/10/2025

Don Karnes, CFE
Department Designee
State of Tennessee

CERTIFICATION

The undersigned certifies and says that he has duly executed the attached examination report of East Tennessee Mutual Insurance Company located in Blountville, Tennessee, dated May 14, 2025, and made as of December 31, 2023, on behalf of the Tennessee Department of Commerce and Insurance. The undersigned further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.



Mel Heaps (Jun 10, 2025 15:12 CDT)

Mel Heaps, CFE
Examiner-in-Charge
Lewis and Ellis, LLC
Representing the State of Tennessee

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The undersigned certifies and says that he has duly executed the attached examination report of East Tennessee Mutual Insurance Company located in Blountville, Tennessee, dated May 14, 2025, and made as of December 31, 2023, on behalf of the Tennessee Department of Commerce and Insurance. The undersigned further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.

Don Karnes

Don Karnes, CFE
Department Designee
State of Tennessee

EXHIBIT B



East Tennessee Mutual
Insurance Company

Serving Northeast Tennessee Since 1896

P.O. Box 328, 3188 Highway 126
Blountville, Tennessee 37617
Phone: (423) 323-5361 * Fax: (423) 815-9013
www.etmic.com

June 11, 2025

E. Joy Little
Director of Financial Examinations/Chief Examiner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243-1135

RE: Report of Examination – East Tennessee Mutual Insurance Company

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for East Tennessee Mutual Insurance Company, made as of December 31, 2023.

By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Art Meadows
President