

EXHIBIT A



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION
OF THE
FARMERS MUTUAL FIRE INSURANCE COMPANY
OF
JEFFERSON COUNTY
DANDRIDGE, TENNESSEE

AS OF
DECEMBER 31, 2023

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Dandridge, Tennessee
June 2, 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.”) § 56-22-115, a full-scope financial examination and market conduct review, as of December 31, 2023, has been made of the condition and affairs of:

Farmers Mutual Fire Insurance Company of Jefferson County

NAIC # 15972
1205 Gay Street
Dandridge, Tennessee 37725

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

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance (TDCI or “Department”). The examination was conducted by duly authorized representatives of the Department.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2018. This examination covers the period from January 1, 2019, through December 31, 2023, and includes any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination.

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 evaluate the overall financial statement presentation and compliance with statutory accounting principles and

the *Annual Statement Instructions for Tennessee County Mutual Insurers* (“Instructions”). The examination also included an assessment of prospective risks faced by the Company, based on information obtained during the course of the examination.

The examination reviewed the Company’s business policies and practices, management and corporate matters, and reviewed and evaluated assets, liabilities, income, and disbursements. In addition, our examination included tests to provide reasonable assurance that the Company was in compliance with applicable laws, rules, and regulations. In planning and conducting our examination, we considered the concepts of materiality and risk, and our examination efforts were directed accordingly.

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

The Company provided a letter of representation confirming that management has disclosed all significant matters and records.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

The examination included a review to determine the current status of the comments and recommendations in the previous report on examination, as of December 31, 2018, which covered the period from January 1, 2014, through December 31, 2018. A summary of the comments, recommendations, and the corrective actions taken by the Company is discussed below:

Comments

1. It was noted that the Company had several verbal agreements. As a good business practice, it was suggested the Company formalize verbal agreements in writing and execute with all parties.

Corrective Action

The Company complied with this comment and no longer had any significant verbal agreements.

2. It was noted that the Company did not have formal complaint procedures or a complaint log as required by Tenn. Code Ann. § 56-8-104(11).

Corrective Action

The Company complied by establishing complaint procedures and a compliant log as required by Tenn. Code Ann. § 56-8-104(11).

3. It was noted that the Company's policy 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 fraud statement as required by Tenn. Code Ann. § 56-53-111(b)(1)(A).

Recommendations

1. It was noted that the Company made loans to a director/officer of the Company and was not in compliance with Tenn. Code Ann. § 56-3-103(a).

Corrective Action

The Company complied by ceasing all lending activities to its directors and officers in accordance with Tenn. Code Ann. § 56-3-103(a).

2. It was noted that the Company did not provide evidence of the Board's approval of the Company's investments or investment transactions for 2014 through 2018. This was not in compliance with Tenn. Code Ann. § 56-3-408(b)(1).

Corrective Action

The Company has complied by establishing an Investment Committee and documenting the Committee's review and approval of investments in its meeting minutes.

3. It was noted that the Company amended its Bylaws in 2017 and did not correctly complete Interrogatory 1(a) in the Company's 2017 Annual Statement.

Corrective Action

The Company complied with this recommendation by correctly answering Interrogatory 1(a) during this examination period.

4. It was noted that the Company did not properly appoint its agents as required by Tenn. Code Ann. § 56-6-115.

Corrective Action

The Company complied with this recommendation by correctly appointing its agents in accordance with Tenn. Code Ann. § 56-6-115 during this examination period.

COMPANY HISTORY

The Company was incorporated on June 7, 1909, under the Tennessee Business Corporation Act as a non-profit mutual benefit corporation. The Company commenced business on August 4, 1909. On September 11, 2008, 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 COA is valid until suspended or revoked and allows the Company to transact business operations in Jefferson County and all counties contiguous to it in the State of Tennessee, pursuant to Tenn. Code Ann. § 56-22-106(f)(1). The Company insures loss or damage to property due to fire, lightning, hail, extended coverage, and tornado to residents in the counties authorized.

MANAGEMENT AND CONTROL

MANAGEMENT

Directors

Management of the Company is vested in a Board of Directors ("Board"). Directors are elected for a term of three (3) years. In accordance with the Bylaws, the Board shall consist of at least seven (7) members.

The following persons were duly elected and serving as directors of the Company's Board, as of December 31, 2023:

<u>Director</u>	<u>Address</u>
Teena Hammer	Dandridge, Tennessee
Sonya West	Dandridge, Tennessee
Julianne Martin	Dandridge, Tennessee
Susan Gass	Dandridge, Tennessee
Mark Smelcer	White Pine, Tennessee
Dustin Smelcer	White Pine, Tennessee
Angie Donahoo	White Pine, Tennessee

Officers

The Bylaws of the Company provide that immediately after the annual meeting a President, Vice President, and a Secretary/Treasurer shall be elected to serve a term of one (1) year. Additional officers shall be elected if deemed necessary.

The following persons were serving as the Company's officers, as of December 31, 2023:

<u>Name</u>	<u>Title</u>
Teena Hammer	President
Sonya West	Vice President
Julianne Martin	Secretary/Treasurer

Committees

The Board has designated three (3) committees, the Executive Committee, Corporate Governance Annual Disclosure (CGAD) Committee, and the Audit/Investment Committee. Members of each committee as of December 31, 2023, are listed below.

Executive Committee

<u>Name</u>	<u>Title</u>
Teena Hammer	President
Sonya West	Vice President
Julianne Martin	Secretary/Treasurer

CGAD Committee

<u>Name</u>	<u>Title</u>
Teena Hammer	President
Sonya West	Vice President
Julianne Martin	Secretary/Treasurer

Investment Committee

<u>Name</u>	<u>Title</u>
Teena Hammer	President
Sonya West	Vice President
Julianne Martin	Secretary/Treasurer
Mark Smelcer	Director

Audit Committee

<u>Name</u>	<u>Title</u>
Teena Hammer	President
Sonya West	Vice President
Mark Smelcer	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 annual meeting of the members of the company shall be held on the last Saturday in July at the Company's office in Dandridge, Tennessee.

Special meetings of the members may be called by the Board at any time and/or shall be called upon petition of one-fourth (1/4) of the members. Due notice of the time, place, and object of such special meetings shall be given to the members. At an annual or special meeting, each member in good standing, shall be entitled to one (1) vote, in case he also represents a partnership or corporation, he shall be entitled to one (1) additional vote for each partnership or corporation so represented. No business shall be transacted at special meetings other than that referred to in the call.

Every policyholder in good standing shall be entitled to one (1) vote in person or by ballot transmitted by mail as may be provided by by-laws in any election for directors or upon any other question. No members shall be allowed to vote by proxy.

Corporate Records

The minutes of the meetings of the Company's members, Board, and committees were reviewed and reflect properly the acts of the respective bodies. It was noted the Company's investment transactions were approved pursuant to Tenn. Code Ann. § 56-3-408(b)(1).

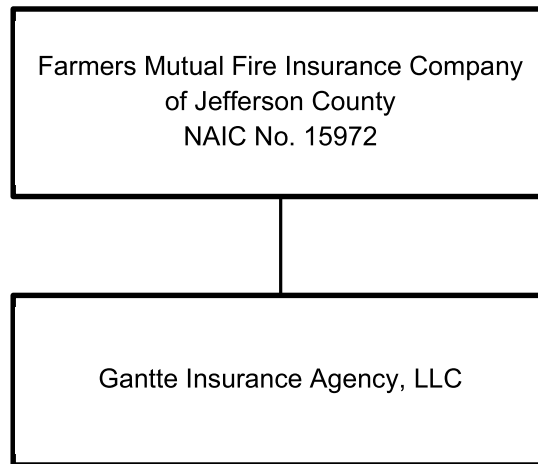
Charter

The Charter recites the general and specific powers of the Company in detail. The Charter, as currently stated, was inspected and found to have been duly issued and properly recorded. There were no amendments to the Charter during the period of examination.

Bylaws

The Bylaws were reviewed and are such as are generally found in companies of this type and contain no unusual provisions. The Bylaws may be amended or repealed, or new Bylaws may be drafted and adopted, by the majority vote of the members present at any regular or special meetings of the members. There were no amendments to the Bylaws during the examination period.

ORGANIZATIONAL CHART



AGREEMENTS WITH PARENT, SUBSIDIARIES, AND AFFILIATES

The Company had the following significant agreement with its affiliated company in effect, as of December 31, 2023:

Shared Services Agreement

Effective June 2, 2022, the Company entered into a Shared Services Agreement with Gantte Insurance Agency, LLC ("Gantte"). The TDCI non-disapproved the agreement on November 18, 2022, with an effective date of June 2, 2022. The terms of the agreement provide for shared services which include, professional services, facilities, and other services between the parties. Compensation is per the agreement and settlement is monthly. The agreement is for a period from June 2, 2022, through December 31, 2023, and automatically renews for one (1) year terms unless either party terminates the agreement or provides notice of their intent not to renew.

SERVICE AGREEMENTS – NON-AFFILIATED

The Company had two (2) agreements in place for services during the period under examination.

Financial and Tax Preparation Services

A local CPA firm, in Dandridge, Tennessee, provides advice to the Company concerning Annual Statement preparation.

Policy Management System

Automated Insurance Management Systems (AIMS), of Richmond, Virginia, provides policy management, premium accounting software, and support services.

TERRITORY AND PLAN OF OPERATIONS

Territory

The Company is domiciled in Tennessee and licensed to transact business in Jefferson County and those counties contiguous to Jefferson County. The Department issued the Company's current COA authorizing the transaction of property insurance business pursuant to Tenn. Code Ann. § 56-22-106(f)(1) on September 11, 2008. The Company, as of December 31, 2023, wrote policies in Jefferson, Cocke, Grainger, Hamblen, Knox, and Sevier Counties.

Plan of Operations

The Company provides its members with coverage on dwellings, rental homes, modular homes, mobile homes, farm buildings, livestock, feed/hay, personal property, farm machinery, and churches.

Members have the option of paying premiums annually, semi-annually, or quarterly.

Liability coverage, provided through an agreement with Farmers Mutual of Tennessee (FMOT), a Tennessee property and casualty insurer, is also available to the members of the Company if they wish to purchase this additional protection.

GROWTH OF COMPANY

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

	<u>Gross</u>	<u>Admitted</u>		<u>Policyholder</u>	<u>Net</u>
<u>Year</u>	<u>Premiums</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Surplus</u>	<u>Income</u>
2023	\$364,087	\$1,214,836	\$218,217	\$996,619	\$50,380
2022	\$350,543	\$1,130,713	\$206,907	\$935,782	\$98,771
2021	\$342,676	\$1,169,152	\$207,713	\$961,439	\$121,596
2020	\$356,010	\$1,063,340	\$207,074	\$856,266	\$113,336
2019	\$347,987	\$962,580	\$201,938	\$760,642	\$54,380

LOSS EXPERIENCE

The following comparative data reflects the loss experience of the Company for the period under review, as reported by the Company in its financial statements filed with the TDCI:

<u>Year</u>	<u>Net Premiums Earned</u>	<u>Net Losses & LAE</u>	<u>Loss Ratio</u>	<u>Other Expenses</u>	<u>Expense Ratio</u>	<u>Combined Ratio</u>
2023	\$293,034	\$98,763	33.70%	\$162,939	55.60%	89.31%
2022	\$296,389	\$32,318	10.90%	\$187,560	63.28%	74.19%
2021	\$297,868	\$24,695	8.29%	\$186,791	62.71%	71.00%
2020	\$300,591	\$47,555	15.82%	\$181,320	60.32%	76.14%
2019	\$294,736	\$70,889	24.05%	\$206,592	71.09%	94.15%

REINSURANCE

Per Risk and Aggregate Excess of Loss Reinsurance

Effective January 1, 2023, the Company entered into a Per Risk and Aggregate Excess of Loss Reinsurance Agreement with FMOT. For the per risk excess of loss coverage, FMOT pays one hundred percent (100%) of losses exceeding \$50,000 up to \$200,000 with each loss occurrence limit of \$500,000 in the aggregate.

In accordance with Tenn. Code Ann. § 56-22-110, the Company has the required aggregate excess of loss coverage. The Company reinsured its losses through a series of three (3) layers of aggregate coverage. The coverage for each layer is one hundred percent (100%). The attachment point for the first layer was the aggregate ultimate net loss of sixty percent (60%) of the Company's aggregate net written premium up to one hundred twenty-five percent (125%) of the Company's aggregate gross net written premium. The attachment point for the second layer was the aggregate ultimate net loss from one hundred twenty-five percent (125%) of the Company's aggregate gross net written premium up to two hundred fifty percent (250%) of the Company's aggregate gross net written premium. The attachment point for the third layer is the aggregate net loss equal to two hundred fifty percent (250%) of the Company's aggregate gross net written premium up to the lesser of seven hundred fifty percent (750%) of aggregate gross net written premium or \$2,625,000.

The agreement was 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). The agreements appear to effectuate proper transfer of risk in accordance with Statements of Statutory Account Principles (SSAP) No. 62R and NAIC guidelines.

ACCOUNTS AND RECORDS

During 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* (APP), as required by Tennessee Compilation of Rules and Regulations ("Tenn. Comp. R. & Regs.") 0780-01-78-.04(1).

During the review of the Company's 2023 annual statement, numerous issues of non-compliance with Tennessee Code Annotated, NAIC APP, and the Instructions were identified. See the "Comments and Recommendations" section in this report for further details.

Pursuant to Tenn. Comp. R. & Regs. 0780-1-78-.04(3), the Company was exempt from filing financial reports audited by a certified public accountant licensed in the State of Tennessee.

In accordance with Tenn. Code Ann. § 56-46-110, the Company was exempt from filing a Risk-Based Capital Report.

Pursuant to Tenn. Comp. R. & Regs. 0780-1-78-.04(4), the Company was exempt from filing an actuarial opinion with the Commissioner.

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

MARKET CONDUCT ACTIVITIES

In conjunction with this examination, a limited market conduct review was made of the Company, as of December 31, 2023. The following items were addressed:

Operations and Management Standards

Company antifraud initiatives were reviewed to determine if the initiatives are reasonably designed to prevent, detect, or mitigate fraudulent insurance acts as required by Tenn. Code Ann. § 56-53-111(b)(1)(A). Tenn. Code Ann. § 56-53-111(b)(1)(A) requires that all applications for insurance and all claim forms contain a statement that clearly states in substance the following or words to the effect: "It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the Company." During the review, it was noted that the Company's applications did have the required fraud warning; however, the Company's claims forms

did not have the required fraud warning statement. See the “Comments and Recommendations” section later in the report.

Additionally, the Company’s procedures and policies relating to privacy were reviewed to determine compliance with Tenn. Code Ann § 56-8-104(19). No issues were noted.

Underwriting and Rating Standards

During the examination of the Company’s underwriting procedures and policy administration, a sample of policies in-force were reviewed for compliance with Tenn. Code Ann. § 56-8-104(7) and Tenn. Comp. R. & Regs. 0780-01-34. No issues were noted.

A sample of canceled and non-renewed policies was reviewed for timely notification and compliance with Tenn. Code Ann. § 56-8-104(7) and Tenn. Comp. R. & Regs. 0780-01-34. No issues were noted.

The policy forms, claims forms, rates, and rate classifications that were used by the Company during the period of examination were reviewed. During this review, it was noted that the Company had not filed all of its policy forms, including the applications and endorsements, with the Department prior to use pursuant to Tenn. Code Ann. §§ 56-5-103, 56-5-104, 56-5-105, and 56-22-109(b)(1). See the “Comments and Recommendations” section in this report.

The Company’s premium rates in effect during the period of examination were approved by the TDCI on November 2, 2012. No rate changes were made during the examination period.

Producer Licensing Standards

Tenn. Code Ann. § 56-6-115 requires the Company to sell its products and services through producers who are properly licensed and appointed by the Company. The Company’s producers’ state-issued license and appointment information was reviewed during the examination for compliance with Tenn. Code Ann. § 56-6-115. No issues were noted.

Marketing and Sales Standards

The Company’s advertising during the period of examination consisted of pens, calendars, and newspaper ads. The Company’s reputation and products are also communicated to potential members by the Board and the Company’s agents via word of mouth.

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.

Claims Handling Standards

A sample of claims was reviewed for unfair claims practices as defined by Tenn. Code Ann. § 56-8-105. Testing included timeliness of contact and resolution, adequacy of claims documentation, claims handling procedures, and reasonableness of denials. No issues were noted during the claims review.

Complaint Handling Standards

The Company's complaint handling practices were reviewed for compliance with Tenn. Code Ann. § 56-8-104(11), which requires the Company to maintain a complete record of all the complaints it receives. No issues were noted during the review.

SUBSEQUENT EVENTS

During the examination, a review of subsequent events was performed. No events were noted that required additional disclosure in this examination report.

FINANCIAL STATEMENTS

The following includes a statement of assets, liabilities and policyholder surplus, and a statement of income as of December 31, 2023, together with a reconciliation of policyholders' surplus for the period under review, as reported by the Company in its 2023 annual statement:

	<u>ASSETS</u>		
	<u>Assets</u>	<u>Non-Admitted Assets</u>	<u>Net Admitted Assets</u>
Bonds and Long-term			
Certificates of Deposit	\$729,678		\$729,678
Properties occupied by the			
company	139,732		139,732
Cash and cash equivalents	303,412		303,412
Aggregate write-ins for other			
invested assets	110,103		110,103
Premium receivables and			
agents' balances	40,633		40,633
Interest, dividends, and real			
estate income due and			
accrued	5,059		5,059
Prepaid expenses	4,082	\$4,082	0
Aggregate write-ins for other			
than invested assets	3,152		3,152
Non-admitted assets due to			
investment limitation	6,830	6,830	0
Aggregate write-ins for other			
assets non-admitted	110,103	110,103	0
Total Admitted Assets	<u>\$1,335,851</u>	<u>\$121,015</u>	<u>\$1,214,836</u>

LIABILITIES AND POLICYHOLDERS' SURPLUS

Unpaid claims and losses net of reinsurance	\$14,000
Unearned premiums	95,700
Advance premiums	97,285
Ceded reinsurance premiums payable	4,455
Commissions payable, contingent commissions, and other similar	960
Accounts Payable and Accrued Expenses Payable	3,656
Amounts withheld or retained by company for account of others	<u>2,161</u>
Total liabilities	218,217
Policyholders' surplus	<u>996,619</u>
Total Liabilities and Policyholders' Surplus	<u>\$1,214,836</u>

STATEMENT OF INCOME

UNDERWRITING INCOME

Net premiums and assessments earned	<u>\$293,034</u>
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DEDUCTIONS

Net Losses incurred	92,298
Loss expenses incurred including claims adjustment expenses	6,465
Total underwriting expenses incurred	<u>162,939</u>
Total underwriting deductions	<u>261,702</u>
Net underwriting gain (loss)	31,332

INVESTMENT INCOME

Net investment income earned	16,215
Net realized capital gains or (losses) from sale or maturity of assets	<u>(507)</u>
Net investment gain (loss)	15,708

OTHER INCOME

Finance and services charges not included in premiums	3,340
Total other income	<u>3,340</u>
Net income after dividends to policyholders and before federal income taxes	<u>50,380</u>
Net Income	<u>\$50,380</u>

POLICYHOLDERS' SURPLUS ACCOUNT

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Policyholders' Surplus December 31, previous year*	\$935,782	\$961,439	\$856,266	\$760,642	\$704,081
Net income or (loss)	50,380	98,771	121,596	113,336	54,380
Change in net unrealized capital gains or (losses)	0	0	(25,846)	(17,603)	2,450
Change in non-admitted assets from prior year	16,704	(124,428)	9,423	(109)	(269)
Aggregate write-ins for gains and losses in surplus	<u>(6,247)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in capital and surplus for the year	<u>60,837</u>	<u>(25,657)</u>	<u>105,173</u>	<u>95,624</u>	<u>56,561</u>
Policyholders' Surplus December 31, current year	<u>\$996,619</u>	<u>\$935,782</u>	<u>\$961,439</u>	<u>\$856,266</u>	<u>\$760,642</u>

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Policyholders' Surplus

\$996,619

Total policyholders' surplus, as established by this examination, is the same as what was reported by the Company in its 2023 annual statement. There were no changes made to any balance sheet or income statement item as a result of our examination performed as of December 31, 2023.

COMMENTS AND RECOMMENDATIONS

Comments

1. As noted in the "Market Conduct Activities" section of this report, it was noted that the Company had not filed all of its policy forms with the Department prior to use pursuant to Tenn. Code Ann. §§ 56-5-103, 56-5-104, 56-5-105, and 56-22-109(b)(1).

The Company's policy application and endorsement forms were filed and approved by the Department on February 11, 2025, and March 5, 2025, respectively.

Recommendations

1. During the review of the Company's 2023 annual statement, numerous issues of non-compliance with applicable provisions of Title 56 of the Tennessee Code Annotated, NAIC APP, and the Instructions were identified. None of these issues were considered to produce a material effect on surplus, individually or in the aggregate.

It is recommended the Company comply with applicable provisions of Title 56 of the Tennessee Code Annotated, NAIC APP, and the Instructions prescribed by the Commissioner pursuant to Tenn. Code Ann. § 56-22-109 when preparing and reporting statutory financial statements submitted to the TDCI.

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 Farmers Mutual Fire Insurance Company of Jefferson County.

In such manner, it was found that as of December 31, 2023, the Company had admitted assets of \$1,214,836 and liabilities, exclusive of policyholders' surplus, of \$218,217. Thus, there existed for the additional protection of the policyholders, the amount of \$996,619 in the form of policyholders' surplus. For this examination, as of December 31, 2023, the Company maintains surplus sufficient to satisfy the requirements of Tenn. Code Ann. §§ 56-22-105(c) and 56-22-106(f)(1) and (2).

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, Taylor Young; Dustin Henderson; James Pearce, APIR MCM, Insurance Examiners; Don Karnes, CFE, Supervising Examiner; and Rhonda Bowling-Black, CFE, ARe, MCM, Market Conduct Supervisor from the State of Tennessee, participated in the work of this examination.

Respectfully submitted,



[Linda Merriweather \(Jun 26, 2025 13:56 CDT\)](#)

06/26/2025

Linda Merriweather, CISA, APIR, MCM
Examiner-in-Charge
State of Tennessee

CERTIFICATION

The undersigned certifies and says that she has duly executed the attached examination report of Farmers Mutual Fire Insurance Company of Jefferson County, located in Dandridge, Tennessee, dated June 2, 2025, and made as of December 31, 2023, on behalf of the Tennessee Department of Commerce and Insurance. The undersigned further says she is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of her knowledge, information, and belief.



Linda Merriweather (Jun 26, 2025 13:56 CDT)

06/26/2025

Linda Merriweather, CISA, APIR, MCM
Examiner-in-Charge
State of Tennessee

EXHIBIT B

FARMERS MUTUAL
Fire Insurance Company
— of Jefferson County —



Serving the community since 1909

1205 Gay Street, PO Box 605
Dandridge, TN 37725
865-397-3161
farmersmutualjc.net

June 26, 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 – Farmers Mutual Fire Insurance Company of Jefferson County

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for Farmers Mutual Fire Insurance Company of Jefferson County, made as of December 31, 2023.

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

Please note that the Company will comply with the applicable provisions of Title 56 of the Tennessee Code Annotated, NAIC APP, and the Instructions prescribed by the Commissioner pursuant to Tenn. Code Ann. § 56-22-109 when preparing and reporting future statutory financial statements submitted to the TDCl as recommended in this report.

Sincerely,

A handwritten signature in cursive script that reads "Teena Hammer".

Teena Hammer, President
Farmers Mutual Fire Insurance of Jefferson County