



NC DEPARTMENT
of **INSURANCE**
MIKE CAUSEY, COMMISSIONER

COMPANY SERVICES GROUP
FINANCIAL EXAMINATION DIVISION

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I, Mike Causey, Commissioner of Insurance in and for the State of North Carolina do hereby certify that: I have caused Northwest Farmers Mutual Insurance Company as of December 31, 2021 with the original on file at this Department and find the same to be a correct copy of the whole said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this the 18th day of November, 2022.



Mike Causey
Commissioner of Insurance

Monique D. Smith, CPA, CFE
Deputy Commissioner
Financial Examination Division

Northwest Farmers Mutual Insurance Company

King, North Carolina

Report on Examination

As of December 31, 2021

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November 3, 2022

Honorable Mike Causey
Commissioner of Insurance
State of North Carolina
Raleigh, North Carolina

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-2-131 of the General Statutes of North Carolina (“GS”), the North Carolina Department of Insurance (“Department”) conducted an examination of the records, business affairs and financial condition of

Northwest Farmers Mutual Insurance Company

(Hereinafter referred to as the “Company”), at its main administrative office and statutory home office located at 201 East King Street, King, North Carolina 27021. The following report on examination is respectfully submitted.

SCOPE OF THE EXAMINATION

We performed a full-scope statutory examination of the Company. This examination covers the period from January 1, 2017, to December 31, 2021, including any material transactions and events occurring subsequent to the examination date and noted during the course of this examination. The Department’s most recent prior examination of the Company was as of December 31, 2016.

The purpose of this examination is to assess the financial condition and controls of the Company and set forth findings of fact (together with citations of pertinent laws, regulations, and rules) with regard to any material adverse findings disclosed by the examination.

We conducted our examination in accordance with auditing standards established by the Department and the National Association of Insurance Commissioners (“NAIC”) Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process and the following key functional activities were identified:

Pricing and Underwriting
Claims Handling and Reserving
Investments
Reinsurance
Capital and Surplus

This may include assessing significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with GS Chapter 58 and evaluating management's compliance with statutory accounting principles. This examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately from the Company's financial statements.

This examination report includes significant findings of fact and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to the Company.

The Company's Annual Statements, work papers, and the independent audit work papers were reviewed and relied upon whenever possible. A trial balance reconciliation of the Annual Statement was performed, as were a verification of ownership and valuation of assets, determination of liabilities and reserves, and an analysis and review of such accounts and records as deemed necessary by the examination team. A management representation letter attesting to the Company's ownership of assets, the nonexistence of unrecorded liabilities and contingent liabilities was received from Company management.

The books and records of the Company are audited annually by independent certified public accountants in accordance with GS § 58-10-185(a). Dixon Hughes Goodman, LLP of High Point, North Carolina, the designated independent public accountant of the Company, issued an unmodified opinion for each year subsequent to the Department's prior examination through, and including, the year ended December 31, 2021.

SUMMARY OF SIGNIFICANT FINDINGS

COMMENTS, RECOMMENDATIONS AND DIRECTIVES

- a. The Company is not in compliance with North Carolina Administrative Code ("NCAC") 11C.0117, which states that "Conflict of interest ("COI") statements shall be executed annually by the officers, directors, trustees, attorneys-in-fact, and administrative personnel of every domestic insurer subject to GS 58, Articles 1 through 67." Examiners performed a review of COIs for years 2016 through 2020 and noted there were missing, or incomplete forms identified in each year. The Company is directed to comply with NCAC 11C.0117 by maintaining COIs annually.

- b. The Company improperly excluded policy fees from direct premiums written reported in column 2 of its Annual Statement Schedule T – Exhibit of Premiums Written and from direct business reported in column 1 of its Underwriting and Investment Exhibit Part 1B – Premiums Written for the years 2017 through 2021. The exclusion of policy fees from written premiums does not comply with the Annual Statement Instructions and the Statement of Statutory Accounting Principle (“SSAP”) No. 53 — Property Casualty Contracts — Premiums, and this financial reporting error resulted in inaccurate premium tax calculations and remittances for those years.

No examination adjustment is necessary as the amount of gross premiums excluded for those years was deemed immaterial; however, the Company is directed to comply with the Annual Statement Instructions, SSAP 53, and GS § 58-2-165(c).

COMPANY HISTORY

The Company was incorporated on January 1, 1994, as a county farm mutual insurer and commenced business on January 1, 1995. Effective January 1, 2017, the Company converted from a county farm mutual insurer to a North Carolina statewide multi-line limited assessable mutual company.

DIVIDENDS TO POLICYHOLDERS

Dividends are paid as declared by the Board of Directors (“Board”) of the Company. Under the insurance regulations of North Carolina, the maximum amount of ordinary dividends which the Company may pay to policyholders is limited to its unassigned surplus, as reflected in the Company’s most recent annual or quarterly statement filed with the Commissioner, in excess of any required minimum surplus. The Company paid no dividends from 2017 through 2021.

MANAGEMENT AND CONTROL

CORPORATE GOVERNANCE

Policyholders

The bylaws of the Company provide that an annual meeting of the policyholders be held at such time and place as the Board may appoint. Special meetings of the policyholders may be called at any time by the chairman of the Board, the president or by any two members of the Board.

Board of Directors

The business of the Company is conducted by its management team and subject to review by the Board. The bylaws specify that the number of directors shall be not less than six and no more than ten. Directors are elected annually, at the annual meeting of policyholders or by the written consent of the policyholders, and each director elected shall hold office until a successor is elected and qualified.

The following individuals served as directors as of December 31, 2021:

Name	Location	Principal Occupation
Danny R. Douglas	Winston-Salem, NC	NC Real Estate Broker
Randy C. Clayton	Winston-Salem, NC	Retired
John M. George	Winston-Salem, NC	Retired
Christopher R. Palmer	King, NC	Banking
Ronnie W. Sisk	Kernersville, NC	Retired
Brian G. Thacker	Winston-Salem, NC	Sales/Sr Accounting Manager
Norma N. Cox	Winston-Salem, NC	Retired/ Business Owner
Kyle J. Scott	Winston-Salem, NC	Company President

The Board has established several committees to act on behalf of the Company including a Building Committee, an Investment Committee, a Retirement Committee, and an Audit Committee.

The following individuals served on committees as of December 31, 2021:

Audit Committee

Randy C. Clayton, Chair
 Norma N. Cox
 Danny R. Douglas
 John M. George
 Christopher R. Palmer
 Ronnie W. Sisk
 Brian G. Thacker

Building Committee

Randy C. Clayton, Chair
 Danny R. Douglas
 Ronnie W. Sisk

Investment Committee

Christopher R. Palmer, Chair
 Danny R. Douglas
 Kyle J. Scott
 Tiffany Stanley

Retirement Committee

Norma N. Cox
 Randy C. Clayton
 Brian G. Thacker

Officers

The bylaws provide that the Board will elect the officers of the Company. The officers of the Company consist of a president, a secretary, a treasurer, and any other officers deemed necessary by the Board. All officers shall hold office, subject to removal at any time by the Board, until their successors are elected and qualified. Any two offices may be held by the same person.

The following individuals served as officers of the Company as of December 31, 2021:

Name	Title
Kyle J. Scott	President
Ashley L. Dunmon	1 st Vice- President
Danny R. Douglas	2 nd Vice-President
Tiffany Stanley	Secretary and Treasurer

CODE OF CONDUCT AND CONFLICT OF INTEREST

The Company has an established policy and procedure to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Company requires a signed statement from each director and officer disclosing any conflict of interest. A review of the signed conflict of interest statements for the examination period revealed that the Company did not act in accordance with its policies and procedures for disclosure for conflicts of interest. (Refer to the Summary of Significant Findings)

CORPORATE RECORDS

We reviewed the minutes of the meetings of the Board for the period under examination. Based on our review, it appears that the minutes documented the Company's significant transactions and events, and that the directors approved these transactions and events.

The Company's articles of incorporation and bylaws were reviewed for any changes during the period under examination. On August 17, 2020, the Company amended its bylaws to include additional officers. No changes were noted regarding the Company's articles of incorporation.

STATUTORY DEPOSITS

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. The Company's 2021 Annual Statement Schedule E, Part 3 contains a complete description and listing of the Company's statutory deposits by state. The Company only maintains a North Carolina statutory deposit.

FIDELITY BONDS AND OTHER INSURANCE

The Company has fidelity bond coverage totaling \$300,000 in aggregate, which exceeds the minimum amount of fidelity bond coverage recommended by the Handbook.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company has a defined contribution plan for all salaried employees. Effective July 1, 2018, Company employees may contribute a percentage of their salaries and the Company contributes either 6%, 8%, or 10%, depending on the employee's length of service with the Company. The Company contributed \$15,471 and \$16,077 in 2021 and 2020, respectively. Employee contributions to this plan totaled \$14,240 and \$13,699 in 2021 and 2020, respectively.

TERRITORY AND PLAN OF OPERATION

The Company is licensed to write homeowners' and farm-owners' multiple peril, fire, and allied lines property and casualty coverage in numerous counties throughout the state of North Carolina. As of December 31, 2021, the Company provides property and casualty coverage to its policyholders through independent agents.

TRENDS OF THE COMPANY

The following data, obtained from annual statements filed with the Department, illustrates the trends of the Company for the five-year period ended 2021:

Year	Net Admitted Assets	Capital and Surplus	Gross Premiums Written	Net Earned Premiums	Net Income (Loss)
2021	\$6,878,380	\$5,360,759	\$1,950,745	\$1,822,812	\$178,992
2020	\$6,268,498	\$4,836,006	\$1,766,340	\$1,659,384	\$16,264
2019	\$6,062,825	\$4,717,546	\$1,660,014	\$1,508,010	\$249,240
2018	\$5,565,635	\$4,327,772	\$1,477,540	\$1,395,587	\$(87,763)
2017	\$5,519,434	\$4,494,821	\$1,360,723	\$1,202,050	\$(42,824)

ACTUARIAL OPINION

Every property and casualty insurance company doing business in this State, unless otherwise exempted by the Commissioner, shall annually submit the opinion of an appointed actuary and an actuarial opinion summary in accordance with GS § 58-10-150 and GS § 58-10-155.

The statutory reserves and related items for 2021 were reviewed and certified by the Company's Appointed Actuary, Robert W. Van Epps, FCAS, MAAA of The Actuarial Advantage, Inc. Actuarial opinions regarding the Company's reserves for losses and loss adjustment expenses were issued by an appointed actuary for all years in the examination period. The appointed actuary evaluated the data provided by the Company for reasonableness and consistency of the losses and loss adjustment expense reserves. According to the actuarial opinions, the Company's reserve on the losses and loss adjustment expenses met the requirements of the insurance laws of North Carolina; were consistent with reserves computed in accordance with accepted actuarial standards and principles; and made a reasonable provision for all unpaid losses and loss expense obligations of the Company.

REINSURANCE PROGRAM OVERVIEW

REINSURANCE CEDED

Property and Casualty Excess of Loss

The Company has a two-layer property and casualty excess of loss reinsurance contract with various reinsurers, effective January 1, 2020, and extending through January 1, 2022, whereby the reinsurers will indemnify the Company for losses under all policies classified by the Company as property and/or casualty business. This policy provides the following coverage:

- **First Layer-** The Company cedes losses in excess of \$50,000 for each and every loss on any one risk. The limit of liability to the reinsurers will not exceed \$735,000 for each and every loss on any one risk subject to an occurrence limitation of \$2,205,000.
- **Second Layer-** The Company cedes losses in excess of \$735,000 for each and every loss on any one risk. The limit of liability to the reinsurers will not exceed \$315,000 for each and every loss on any one risk subject to an occurrence limitation of \$945,000.

The Company ceded written premiums totaling \$117,777 and \$107,218 in 2021 and 2020, respectively, under this contract.

Property Catastrophe Excess of Loss

The Company has a property catastrophe excess of loss reinsurance contract with various reinsurers, effective January 1, 2020, and extending through January 1, 2022, whereby the reinsurers indemnify the Company for any loss or losses occurring during the term of the contract on all policies classified by the Company as property business. The reinsurers will be liable for the ultimate net loss in excess of \$200,000 on any one loss occurrence up to a maximum limit of \$1,150,000 with respect to any one loss occurrence. The Company ceded written premiums totaling \$156,072 and \$142,107 in 2021 and 2020, respectively, under this contract.

Property Aggregate Excess of Loss

The Company has a property aggregate excess of loss reinsurance contract with various reinsurers, effective January 1, 2020, and extending through January 1, 2022, whereby the reinsurers indemnify the Company for any loss or losses occurring during the term of the contract on all policies classified by the Company as property business. This contract provides that the reinsurers will be liable for \$1,000,000 excess of an amount of aggregate ultimate net loss of 80% of the net earned premium, at any time for each agreement year that this agreement remains in effect. The Company ceded written premiums totaling \$58,435 and \$53,206 in 2021 and 2020, respectively, under this contract.

Quota Share - Equipment Breakdown and Service Line Coverage

The Company has a multiple line reinsurance contract with Factory Mutual Insurance Company, effective January 1, 2018, whereby 100% of the risk on the business specified below is ceded to the reinsurer.

Line of Business Covered	Reinsurer's Liability Limit
Equipment Breakdown Coverage	\$100,000 per occurrence and \$500 per occurrence deductible
Service Line Coverage	\$10,000 per occurrence and \$500 per occurrence deductible

The Company ceded written premiums totaling \$80,015 and \$76,086 in 2021 and 2020, respectively, under this contract.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2021. The supporting exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department. The financial statements and supporting schedules as of December 31, 2020, are unexamined and are presented for comparative purposes only.

Northwest Farmers Mutual Insurance Company
Statutory Statement of Admitted Assets
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Bonds	\$1,458,552	\$1,770,642
Preferred stocks	170,826	158,719
Common stocks	3,497,391	2,606,198
Cash and short-term investments	1,375,537	1,512,293
Receivable for securities	130,309	-
Total cash and invested assets	6,632,615	6,047,852
Investment income due and accrued	9,335	11,430
Premiums and agents' balances in course of collection	45,889	40,545
Deferred premiums and agents' balances booked but deferred and not yet due	158,656	144,671
Federal income tax recoverable	31,885	24,000
Total Admitted Assets	\$6,878,380	\$6,268,498

Northwest Farmers Mutual Insurance Company
Statutory Statement of Liabilities and Surplus
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Losses	\$60,716	\$199,910
Loss adjustment expenses	27,450	30,090
Commissions payable, contingent commissions and other similar charges	18,491	16,474
Other expenses	7,862	5,966
Taxes, licenses, and fees	6,135	5,966
Federal income tax liability	142,382	39,867
Unearned premiums	1,153,481	1,025,548
Advance premium	114,643	119,250
Ceded reinsurance premiums payable	(15,338)	(10,862)
Amounts withheld or retained by Company for account of others	1,799	283
Total liabilities	1,517,621	1,432,492
Unassigned funds	5,360,759	4,836,006
Total surplus	5,360,759	4,836,006
Total Liabilities and Surplus	\$6,878,380	\$6,268,498

Northwest Farmers Mutual Insurance Company
Statutory Statement of Operations
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Underwriting Income		
Premiums earned	\$1,822,812	\$1,659,384
Deductions		
Losses incurred	455,318	726,502
Loss adjustment expenses incurred	214,115	204,302
Other underwriting expenses incurred	925,526	738,046
Total underwriting deductions	1,594,959	1,668,850
Net underwriting gain(loss)	227,853	(9,446)
Investment Income		
Net investment income earned	(99,281)	(66,859)
Net realized capital gains	53,298	77,765
Net investment gain(loss)	(45,983)	10,906
Other Income		
Finance and service charges not included in premiums	14,994	14,824
Other income	75	-
Total other income	15,069	14,824
Federal income taxes incurred	17,947	-
Net Income	\$178,992	\$16,264

Northwest Farmers Mutual Insurance Company
Statutory Statement of Surplus
December 31,

	2021	2020 <i>(unexamined)</i>
Surplus, beginning of year	\$4,836,006	\$4,717,546
Net income	178,992	16,264
Change in net unrealized capital gains	356,933	101,411
Change in net deferred income tax	(6,856)	785
Change in non-admitted assets	(7,239)	-
Prior year adjustment	2,923	-
Change in surplus as regards policyholders for the year	524,753	118,460
Surplus, end of year	\$5,360,759	\$4,836,006

Northwest Farmers Mutual Insurance Company
Statutory Statement of Cash Flow
December 31, 2021

	2021	2020 <i>(unexamined)</i>
Cash From Operations		
Premiums collected net of reinsurance	\$1,922,333	\$ 1,713,661
Net investment income	(86,260)	(43,967)
Miscellaneous income	15,069	14,824
Total	1,851,142	1,684,518
Benefit and loss related payments	594,512	692,374
Commissions, expenses paid and aggregate write-ins	1,134,418	932,665
Federal income taxes paid	39,998	24,000
Total	1,768,928	1,649,039
Net cash from operations	82,214	35,479
Cash From (Used By) Investments		
Proceeds from investments sold, matured, or repaid	1,443,446	1,476,265
Cost of investments acquired	1,656,691	1,226,723
Net cash from (used by) investments	(213,245)	249,542
Cash (Used By) Financing and Miscellaneous Sources		
Other cash (applied)provided	(5,724)	(1,345)
Net cash (used by) financing and miscellaneous sources	(5,724)	(1,345)
Reconciliation of Cash and Short-Term Investments		
Net change in cash and short-term investments	(136,756)	283,676
Cash and short-term investments, beginning of year	1,512,293	1,228,617
Cash and short-term investments, end of year	\$1,375,537	\$1,512,293

COMMENTS ON FINANCIAL STATEMENTS

Basis of Presentation and Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared on the basis of the accounting practices prescribed or permitted by the Department.

The more significant accounting policies followed by the Company are as follows:

Bonds: Carried at amortized cost using the scientific method. Bonds with lower credit ratings are carried at the lower of amortized cost or NAIC market value. Bonds not backed by other loans are stated at amortized cost using the scientific method.

Preferred stocks: Investment grade perpetual preferred stocks are stated at fair value. Investment grade redeemable preferred stocks are stated at cost. Preferred stock at non-investment grade is stated at the lower of cost or fair value.

Common stocks: Carried at fair value.

Cash and short-term investments: Carried at amortized cost (which approximates fair value) and includes money market instruments and debt securities with maturities of less than one year.

Premiums: Insurance premiums, net of premiums ceded to reinsurers, are earned over the terms of the policies. The portion of direct premiums written applicable to the unexpired terms of the policies is recorded as unearned premium. Premiums are earned on a pro rata basis.

Reinsurance: Premiums, commissions, expense reimbursements, and reserves are reported for on a basis consistent with the original policies issued and the terms of the reinsurance agreements. Premiums ceded are reported as a reduction of premium income. Losses and loss adjustment expenses are reported as reductions of those items. Uncollateralized amounts from unauthorized reinsurers are deducted directly from capital and surplus through a provision for unauthorized reinsurance. Changes to the provision are credited or charged directly to surplus.

Non-admitted assets: Certain assets, such as premiums over 90 days past due, excess of book value over market value for securities, and prepaid expenses are "non-admitted" and are charges against surplus.

Loan-backed securities: Stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities.

Unpaid loss & loss adjustment expense: Includes amounts determined from individual case estimates and loss reports and amounts, based on experience, for losses incurred but not reported. Estimated amounts of salvage and subrogation and reinsurance recoverable are deducted from the reserve for losses and loss adjustment expenses.

Analysis of Assets:

The following represents an analysis of the Company's net admitted assets:

	Assets	Assets not Admitted	Net Admitted Assets
Bonds	\$1,458,552	-	\$1,458,552
Preferred stocks	170,826	-	170,826
Common stocks	3,497,391	-	3,497,391
Cash and short-term investments	1,375,537	-	1,375,537
Other invested assets	130,309	-	130,309
Total cash and invested assets	6,632,615	-	6,632,615
Investment income due and accrued	9,335	-	9,335
Premiums and agents' balances in course of collection	45,889	-	45,889
Premiums and agents' balances booked but not yet due	158,656	-	158,656
Net deferred tax assets	31,885	-	31,885
Miscellaneous receivables	7,239	7,239	-
Total admitted assets	\$6,885,619	\$7,239	\$6,878,380

Reinsurance Activity:

The Company has reinsurance contracts to minimize its exposure to losses. Reinsurance contracts do not relieve the Company of its primary obligation to policyholders. Failure of the reinsurers to discharge their obligations could result in losses to the Company. The Company utilizes Beach Re as a reinsurance intermediary to negotiate and obtain reinsurance contracts on its behalf for specifically identified risks.

Direct, assumed, and ceded premiums written and earned are as follows:

	2021	2020
Direct and assumed written	\$2,363,044	\$2,144,957
Ceded written	(412,299)	(378,617)
Net written	1,950,745	1,766,340
Direct and assumed earned	2,232,733	2,038,552
Ceded earned	(409,921)	(379,168)
Net earned	\$1,822,812	\$1,659,384

The reinsurers share in the risks at different levels as specified in the reinsurance contracts. The types of contracts and retention limits are described under the Reinsurance Program Overview.

Summary of Reserves:

The following provides a reconciliation of the Company's reserves for losses and loss adjustment expenses:

	2021	2020
Reserve for losses and loss adjustment expenses, beginning of year	\$237,000	\$202,682
Add:		
Provision for losses and loss adjustment expenses, current year	767,815	965,337
Change in estimated losses and loss adjustment expenses, prior years	(98,382)	(34,533)
Total incurred	669,433	930,804
Deduct:		
Losses and loss adjustment expenses paid, current year	679,647	735,586
Losses and loss adjustment expenses paid, prior year	131,620	160,900
Total paid	811,267	896,486
Reserve for losses and loss adjustment expenses, end of year	216,505	237,000
Increase in reserve for losses and loss adjustment expenses	\$(111,834)	\$693,804

The Company did not reduce reserves by anticipated salvage and subrogation in 2021 or 2020.

Reserves for losses and loss adjustment expenses are reported net of the amounts that are recoverable under the Company's reinsurance contracts. At December 31, 2021, and 2020, the liability for losses and loss adjustment expenses was reduced by \$128,339 and \$7,000, respectively, for amounts to be recovered from reinsurers.

Capital and Surplus:

The following, in conjunction with the Statutory Statement of Surplus, represents the changes in the Company's surplus since the Department's last examination as of December 31, 2016:

	2019	2018	2017
Surplus, beginning of year	\$4,327,772	\$4,494,821	\$4,490,709
Net income (loss)	249,240	(87,763)	(42,824)
Change in net unrealized capital gain (loss)	121,840	(92,899)	104,676
Change in net deferred income tax	(48,134)	23,895	(57,946)
Change in non-admitted assets	66,828	(10,282)	206
Change in surplus as regards policyholders for the year	389,774	(167,049)	4,112
Surplus, end of year	\$4,717,546	\$4,327,772	\$4,494,821

Contingencies and Commitments:

The Company is involved in routine legal and administrative proceedings incidental to the conduct of its business. While the outcome of these matters cannot be estimated with certainty, it is the opinion of management that the resolution of these matters will not have a material effect on the financial position of the Company.

Northwest Farmers Mutual Insurance Company
DISTRIBUTION OF REPORT ON EXAMINATION
December 31, 2021

Kyle Scott, President
201 E. King Street
King, North Carolina 27021

Roger Langley, Consultant
490 Easy Wind Lane
Garner, North Carolina 27529

CONCLUSION

The examination procedures described herein, revealed no material adverse findings or adjustments to surplus.

We conclude that the Company complies with the minimum capital and surplus requirements of GS § 58-7-75 for the kinds of insurance that the Company has been authorized to write, which is \$700,000.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Monique D. Smith". The signature is written in a cursive style.

Monique D. Smith, CPA, CFE
Deputy Commissioner
North Carolina Department of Insurance

November 3, 2022

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Stanley Jones, Senior Examiner, North Carolina Department of Insurance, being first, duly sworn, deposes and says that this report on examination, subscribed by him, is true and correct to the best of his knowledge and belief.

Signature: *Stanley Jones* Date: 11/3/2022

Sworn and subscribed before me this 13 day of November, 2022.

Notary Public Signature: *Samantha Tanck* Notary Public Seal:

