

**BEFORE THE COMMISSIONER OF INSURANCE  
OF THE STATE OF KANSAS**

In the Matter of the Financial Condition Examination	)	
Report as of December 31, 2018	)	Docket No. 85075
<b>Farmers Mutual Insurance Company</b>	)	
<b>NAIC CoCode: 10323</b>	)	

**ORDER**

This matter is before the Commissioner of Insurance for consideration of the financial condition examination report as of December 31, 2018, for Farmers Mutual Insurance Company (the "Company"). Before the Commissioner of Insurance is whether to adopt, reject, or modify the examination report pursuant to the provisions of K.S.A. 40-222.

The Commissioner of Insurance, having fully considered and reviewed the financial condition examination report, together with all written submissions, applicable rebuttals, and all relevant portions of the examiners' workpapers, finds as follows:

**Policy Reasons**

It is stated policy of the State of Kansas that whenever the Commissioner of Insurance deems it necessary, but at least once every five years, an examination of the affairs and financial condition of any insurance company in the process of organization, applying for admission, or doing business in this State can be undertaken. Through the examination process, the insurance consuming public will be well served and protected.

### Findings of Fact

1. The Commissioner has jurisdiction over this matter pursuant to K.S.A. 40-222.

2. The Kansas Insurance Department undertook an examination of Farmers Mutual Insurance Company and completed that examination on July 2, 2020.

3. On July 17, 2020, the examiner-in-charge tendered and filed with the Kansas Insurance Department a verified written report of the examination within thirty (30) days following completion of the examination.

4. Following receipt of the verified report, the Kansas Insurance Department transmitted the report to Farmers Mutual Insurance Company on August 7, 2020, with a duly executed notice advising the Company of its opportunity to prepare and submit to the Kansas Insurance Department a written submission or rebuttal with respect to any and all matters contained in the report. The Department further advised the Company that any written submission or rebuttal needed to be filed with the Kansas Insurance Department no later than thirty (30) days after receipt of the verified report.

5. Farmers Mutual Insurance Company filed a written submission accepting the verified report on August 21, 2020. The Company's acceptance was subject to the correction of two minor errors, which the Kansas Insurance Department subsequently corrected.

6. Within thirty (30) days of the end of the time period allowed for written submission or rebuttal, the Commissioner of Insurance fully reviewed the report, together with all written submissions and rebuttals provided by Farmers Mutual Insurance Company. The Commissioner of Insurance further reviewed all relevant workpapers.

7. No other written submissions or rebuttals were submitted by Farmers Mutual Insurance Company.

**Conclusion of Law**

8. K.S.A. 40-222(k)(2) provides:

“Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with any written submissions or rebuttals and any relevant portions of the examiners workpapers and enter an order:

(A) Adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, regulation or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure such violations; or

(B) rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation or information, and refiling pursuant to subsection (k); or

(C) call and conduct a fact-finding hearing in accordance with K.S.A. 40-281 and amendments thereto for purposes of obtaining additional documentation, data, information and testimony.”

9. Based upon the Findings of Fact enumerated in paragraphs #1 through #7 above, the financial condition examination report as of December 31, 2018, of Farmers Mutual Insurance Company should be adopted.

10. This Order constitutes the Final Order in this matter.

**IT IS THEREFORE, BY THE COMMISSIONER OF INSURANCE, ORDERED THAT:**

1. The financial condition examination report as of December 31, 2018, of the Farmers Mutual Insurance Company is adopted.

2. The Commissioner of Insurance retains jurisdiction over this matter to issue any and all further Orders deemed appropriate or to take such further action necessary to dispose of this matter.

3. Within thirty (30) days of the issuance of the adopted report, the Company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

4. The Commissioner of Insurance shall hold the content of the examination report as private and confidential information for a period of thirty (30) days. Thereafter, the Commissioner may open the report for public inspection so long as no court of competent jurisdiction has stayed its publication.

IT IS SO ORDERED THIS 10th DAY OF September, 2020 IN THE CITY OF TOPEKA, COUNTY OF SHAWNEE, STATE OF KANSAS.



*Vicki Schmidt*

Vicki Schmidt  
Commissioner of Insurance

Approved by the Kansas Insurance  
Department Legal Division

*Paige Blevins*

Paige Blevins  
Staff Attorney

Certificate of Service

The undersigned hereby certifies that she served the above and foregoing Order on this 14<sup>th</sup> day of September, 2020, by causing the same to be deposited in the United States Mail, first class postage prepaid, addressed to the following:

Board of Directors  
Farmers Mutual Insurance Company  
16 North Main  
Ellinwood, KS 67526

  
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Toni Garrard  
Senior Administrative Assistant