

**REPORT ON EXAMINATION**  
**OF**  
**KANSAS MEDICAL MUTUAL INSURANCE COMPANY**  
**623 SW 10<sup>TH</sup> AVENUE**  
**TOPEKA, KANSAS 66612**  
**AS OF**  
**DECEMBER 31, 2021**

**APPROVED & FILED**

May 11, 2023

**VICKI SCHMIDT**  
Commissioner of Insurance

## TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE NUMBER</u>
SALUTATION.....	1
SCOPE OF EXAMINATION .....	1
Independent Audit Reports .....	3
Actuarial Review .....	3
SUMMARY OF SIGNIFICANT FINDINGS .....	3
COMPANY HISTORY .....	3
General .....	3
Capital Stock.....	4
Dividends and Capital Contributions .....	4
CORPORATE RECORDS.....	4
MANAGEMENT AND CONTROL.....	4
Ownership.....	4
Board of Directors .....	4
Committees .....	6
Officers.....	7
INSURANCE HOLDING COMPANY SYSTEM .....	7
Intercompany/Cost Sharing Agreements .....	9
TERRITORY AND PLAN OF OPERATION.....	11
SELECT FINANCIAL INFORMATION.....	11
REINSURANCE .....	11
General .....	11
Assumed Reinsurance .....	12
Ceded Reinsurance .....	12
FINANCIAL STATEMENTS .....	14
STATEMENT OF ASSETS .....	15
STATEMENT OF LIABILITIES AND SURPLUS .....	16
STATEMENT OF INCOME .....	17
CAPITAL AND SURPLUS ACCOUNT .....	18
ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS.....	19
COMMENTS ON FINANCIAL STATEMENTS .....	19
SUBSEQUENT EVENTS .....	19
SUMMARY OF RECOMMENDATIONS.....	19
CONCLUSION .....	20
SUPERVISION.....	21

Topeka, Kansas  
May 8, 2023

Honorable Vicki Schmidt  
Commissioner of Insurance  
Kansas Insurance Department  
1300 SW Arrowhead Rd  
Topeka, Kansas 66604-4019

Dear Commissioner:

In accordance with your authorization and pursuant to K.S.A. 40-222, an examination has been conducted of the financial condition and business affairs of:

**KANSAS MEDICAL MUTUAL INSURANCE COMPANY**

with its statutory home office at:

**623 SW 10<sup>TH</sup> AVENUE  
TOPEKA, KANSAS 66612**

and main administrative office at:

**623 SW 10TH AVENUE  
TOPEKA, KANSAS 66612**

hereinafter referred to as the "Company" or "KaMMCO." The following report on such examination is respectfully submitted.

**SCOPE OF EXAMINATION**

The examiners have performed a multi-state financial examination of the Company, a Kansas-domiciled property and casualty insurance company. The last examination covered the five-year period from January 1, 2012, through December 31, 2016. This examination covers the five-year period from January 1, 2017, through December 31, 2021.

The examination was conducted in accordance with the rules, regulations, and

directives of the Kansas Insurance Department (“Department”) and the observed guidelines and procedures contained in the National Association of Insurance Commissioners (“NAIC”) *Financial Condition Examiners Handbook* (“Handbook”). The Handbook requires that the examiners 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. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles.

Those activities considered in the examination as key or critical to KaMMCO included Investments, Reinsurance, Premium/Underwriting, Claims/Reserving, and Related Party. The examination also included a review and evaluation of information technology general controls.

The 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 is documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, as mentioned in K.S.A. 40-222, 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 other regulators and the Company.

### **Independent Audit Reports**

Financial statements of the Company were audited by RSM US, LLP, Omaha, Nebraska, for the years ending December 31, 2017, through December 31, 2021. In each of the years under examination, the auditors concluded that the financial statements of the Company present fairly, in all material respects, the admitted assets, liabilities and policyholders' surplus of the Company as of December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with the statutory accounting practices prescribed or permitted by the Department.

The independent auditor's workpapers were reviewed and analyzed by the examiners. Significant reliance was placed on select workpapers during this examination.

### **Actuarial Review**

The Company retained James D. Hurley, ACAS, MAAA, of Willis Towers Watson of Atlanta, Georgia, to perform a review of the Company's actuarial practices and reserves as of December 31, 2021. The review consisted of evaluating assumptions, methodologies, and calculations utilized by the Company in its reserve setting process.

### **SUMMARY OF SIGNIFICANT FINDINGS**

No significant findings were noted during the course of the examination.

### **COMPANY HISTORY**

#### **General**

Pursuant to K.S.A. 40-12a01 *et seq.*, KaMMCO was formed by the Kansas Medical Society ("KMS") and incorporated in the State of Kansas on March 20, 1989, as a Kansas

domestic not-for-profit mutual insurance company.

### **Capital Stock**

The Company is organized as a mutual insurance company; therefore, no capital stock is issued.

### **Dividends and Capital Contributions**

During the period under examination, KaMMCO made the following dividend (Loyalty Awards) payments to policyholders: \$288,000 in 2017; \$522,500 in 2018; \$311,000 in 2019; \$316,500 in 2020; and \$288,500 in 2021. On March 26, 2018, the Company also made a paid-in capital contribution of \$300,000 to KaMMCO Casualty Company, Inc. (“KaMMCO Casualty”), a Kansas domiciled property and casualty insurance company, which is wholly owned by KaMMCO.

## **CORPORATE RECORDS**

The Company’s articles of incorporation and bylaws were reviewed. There were no amendments to the articles of incorporation during the examination period. There was a third amendment to the bylaws that was filed with the Department and approved on February 13, 2018, to be effective December 8, 2017. The amendment changed the Article VIII title from “Policies” to “Dividends” and clarified dividend declaration and payments.

## **MANAGEMENT AND CONTROL**

### **Ownership**

The Company is controlled and owned by its policyholders.

### **Board of Directors**

Pursuant to the Company’s bylaws, the Board of Directors (Board) consists of no

less than five (5) nor more than twenty-five (25) directors, including five ex-officio voting directors. At least two-thirds (2/3) of the voting directors of the Board are individuals licensed to practice medicine and surgery in the state of Kansas and qualified as individuals for membership in the Company. Directors are elected to three (3) year terms, such that one-third (1/3) of the total number of directors is elected each year to maintain an approximately equally balanced three-year staggered Board. In addition to the elected directors there are five (5) ex-officio voting director positions, which are the executive director, the President, the President-elect and the immediate past President of the Kansas Medical Society, and the President of the Kansas Hospital Association. The Board may also appoint up to two (2) non-voting, advisory members of the Board for a term of one (1) year. These appointed non-voting members are not considered in the minimum or maximum number of directors.

At the annual meeting of the members, the members shall elect directors, each of whom will hold office for a term of three (3) years or until a successor is elected and qualified or until such director's earlier resignation or removal. The directors elected and serving as of December 31, 2021, were as follows:

<b><u>Name</u></b>	<b><u>Principal Occupation and Business Affiliation</u></b>
Melissa C. Atkins	CEO, Graham County Hospital
Therese E. Cusick, M.D.	Physician, Wichita Surgical Specialists, P.A.
Zachary C. Kuhlmann, D.O.	Physician, Associates in Women's Health, P.A.
LaDona M. Schmidt, M.D.	Physician, Holton Family Medicine
Chad R. Austin	President & CEO, Kansas Hospital Association
*Thomas H. Estep, M.D.	Retired Consultant in Cardiovascular Thoracic Surgery
Michael E. Machen, M.D.	Physician, Bluestem Medical LLP

Loran J. Slaughter	Senior Executive Advisor, Kansas Medical Society
Mark D. Brady, M.D.	Physician, Midwest Anesthesia Associates, P.A.
**Eugene W. Meyer	Executive in Residence, University of Kansas
Mark S. Synovec, M.D.	Physician & President, Topeka Pathology Group, P.A.
Rachelle J. Colombo	Executive Director, Kansas Medical Society
James H. Gilbaugh, III, M.D	Physician, Wichita Urology
Jany K. Moussa, M.D.	Physician, Wichita Nephrology Group
Kimberly K. Williams, M.D.	Physician, Smoky Hill Medicine Residency
***Robert C. Gibbs, M.D.	President, Robert Charles Gibbs, MD, LLC

Subsequent to December 31, 2021, the following changes occurred in the Board make-up of the Company:

\*Effective June 24, 2022, Thomas H. Estep, M.D. was replaced by Adam M. Goodyear, M.D., Orthopedic Surgeon with OrthoKansas, an affiliate of LMH Health.

\*\*Effective June 24, 2022, Eugene W. Meyer was replaced by Vallerie L. Gleason, CEO of NMC Health (Newton Medical Center).

\*\*\*Effective June 24, 2022, Robert C. Gibbs, M.D. was replaced by Gerhard A. Fast, M.D., Partner/Physician at Partners in Family Care.

## **Committees**

The Company's bylaws indicate that the Board may designate one (1) or more committees of the Board. The established committees and the members elected and serving as of December 31, 2021, were as follows:

### **Executive Committee**

Mark S. Synovec, M.D.  
 James H. Gilbaugh, III, M.D.  
 LaDona M. Schmidt, M.D.  
 Loran J. Slaughter  
 Rachelle J. Colombo

### **Audit & Finance Committee**

LaDona M. Schmidt, M.D.  
 Melissa C. Atkins  
 Mark D. Brady, M.D.  
 Loran J. Slaughter  
 Thomas H. Estep, M.D.

### **Governance & Nominating Committee**

James H. Gilbaugh, III, M.D.  
 Rachelle J. Colombo  
 LaDona M. Schmidt, M.D.  
 Loran J. Slaughter  
 Mark S. Synovec, M.D.

### **Compensation Committee**

Loran J. Slaughter  
 LaDona M. Schmidt, M.D.  
 Robert C. Gibbs, M.D.



## **Officers**

Pursuant to the bylaws, the officers of the Company are a Chairperson and a Vice Chairperson of the Board, a President and Chief Executive Officer, an Executive Vice President, a Secretary, a Treasurer, and such other senior vice presidents, vice presidents, officers and assistant officers as the Board deems appropriate. Officers need not be members of the Company and are elected annually by the Board. The following officers were elected and serving as of December 31, 2021:

<b><u>Name</u></b>	<b><u>Office</u></b>
Mark S. Synovec, M.D.	Chairperson of the Board
Kurtis L. Scott	President and Chief Executive Officer
Loran J. Slaughter	Secretary
James H. Gilbaugh, III, M.D.	Vice Chairman of the Board and Treasurer
Barbara A. Fencil	Vice President Corporate Affairs
Shannon D. Haire	Vice President Member Services
Tucker L. Poling	Vice President Claims
Andrew E. Gritman	Vice President and Chief Information Officer
Nicholas A. Nyp	Vice President and Chief Financial Officer

## **INSURANCE HOLDING COMPANY SYSTEM**

K.S.A. 40-3305 requires a domestic insurer that is part of an insurance holding company system to file appropriate registration statements with the Commissioner of Insurance. The Company has submitted Forms “B” and “C” registration statements to the Department for each of the years under examination. A review of the registration statements indicated that the items and events pertaining to the Company were properly reported as required by statute.

The Company owns 50% of its subsidiary, Kansas Medical Insurance Services Corporation (“KMISC”). The Kansas Medical Society owns the other 50% of KMISC.

KMISC is an agency that provides services for the Kansas Health Care Provider Insurance Availability Plan, a Kansas non-profit organization that was formed pursuant to K.S.A. 40-3413 to provide professional liability insurance coverage to all Kansas health care providers who are unable to obtain coverage through ordinary methods.

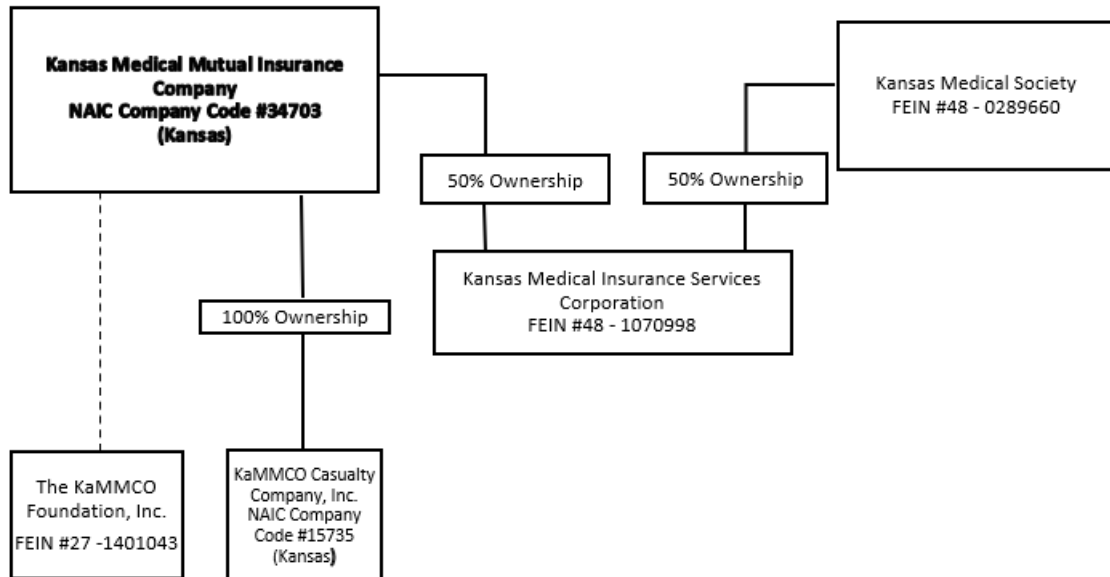
The KaMMCO Foundation, Inc. (“KaMMCO Foundation”) is also an affiliate. The KaMMCO Foundation is a Kansas not-for-profit corporation established by the Company in late 2009; however, the Company has no ownership. The purpose of forming the KaMMCO Foundation was to improve healthcare across Kansas by offering medical education material and training to medical providers, staff, and patients. The Company is responsible for appointing and removing the KaMMCO Foundation’s Board of Directors; therefore, the KaMMCO Foundation is controlled by the Company pursuant to K.S.A. 40-3302(c).

During 2014 the Company formed two 100% owned subsidiaries: KaMMCO Health Solutions, Inc. (“KHS”), a non-insurer and KaMMCO Casualty, a Kansas domestic property and casualty insurance company. On June 14, 2019, KHS was sold to the Kansas Health Information Network, Inc. (“KHIN”), a non-related party, as management determined that its operations no longer fit the Company’s core business. KaMMCO no longer has any ownership interest or contractual relationships with KHS.

KaMMCO Casualty received its Kansas Certificate of Authority on April 22, 2015, with authority to write Malpractice Liability and General Liability insurance. KaMMCO Casualty was incorporated to issue policies to those individuals and entities outside KaMMCO’s core business. KaMMCO Casualty was also formed to issue policies for coverage outside the State of Kansas in connection with the out-of-state business being

produced by KHS.

The organizational chart below illustrates the identities and intercompany relationships among insurance and non-insurance companies and the controlling entities thereof within the insurance company holding system, as of December 31, 2021.



### **Intercompany/Cost Sharing Agreements**

The following is a brief description of significant agreements executed with KaMMCO Casualty and KMS that were in effect as of December 31, 2021.

#### **Administrative Services Agreement**

Effective October 11, 2016, the Company entered into an Administrative Services Agreement that governs the relationship between KaMMCO and KaMMCO Casualty concerning certain professional and administrative services to be provided by KaMMCO to KaMMCO Casualty, including marketing and development services, human resource and administrative services, finance and accounting services, legal services, risk management services, underwriting services, and information technology services.

Amounts paid by KaMMCO Casualty in accordance with the terms of the agreement for the years of the examination were: \$431,322; \$367,274; \$253,547; \$367,399; and \$184,546 for 2021, 2020, 2019, 2018, and 2017, respectively.

### **Quota Share Reinsurance Contract**

Effective January 1, 2017, the Company entered into a Quota Share Reinsurance Contract that allows it to reinsure 100% of the gross liability of KaMMCO Casualty. Effective August 1, 2019, Amendment No. 2 repealed and replaced the definitions for Gross Liability and Net Written Premium to allow for third party reinsurance by KaMMCO Casualty.

### **Tax Allocation Agreement**

The Company is a party to a Tax Allocation Agreement with KaMMCO Casualty that is effective for taxable periods beginning January 1, 2019. The method of allocation requires the tax liability of the group to be allocated to the members of the group on the basis of the percentage of the total tax which the tax of such member is computed on a separate tax return basis. All settlements under this agreement shall be made within thirty (30) days of the filing of the applicable estimated or actual consolidated federal corporate income tax return with the Internal Revenue Service, except where a refund is due KaMMCO, in which case it may defer payment to KaMMCO or KaMMCO Casualty to within thirty (30) days of receipt of such refund.

The Company also is a party to three (3) separate agreements with KMS; a commercial lease agreement, an IT services agreement, and a marketing and government services agreement.

## **TERRITORY AND PLAN OF OPERATION**

As of December 31, 2021, the Company is authorized to transact business in the states of Kansas, Missouri, and Nebraska. The NAIC Schedule T Exceptions Report was reviewed for each of the states where the Company is licensed. No exceptions were noted.

As of December 31, 2021, the Company's largest line of direct written premium was medical professional liability – claims made at 91.1%.

## **SELECT FINANCIAL INFORMATION**

The exhibit below shows the Company's financial results for the period of December 31, 2017, through December 31, 2021. The financial amounts were obtained from annual statements filed by the Company.

	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<i>(\$000 omitted)</i>					
Admitted Assets	\$163,539	\$152,800	\$150,296	\$155,351	\$159,799
Liabilities	57,504	64,555	72,079	71,228	72,745
Capital and Surplus	106,035	88,245	78,217	84,123	87,054
Net Income (Loss)	1,120	(77)	(26,499)	2,119	(159)
Net Premium Written	20,435	18,424	18,230	18,171	19,380

## **REINSURANCE**

### **General**

The Company's premium activity on a direct written, assumed, and ceded basis for the period under examination is detailed below:

*(\$000s omitted)*

<b>Premium Type</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Direct Premiums Written	\$ 21,957	\$ 20,992	\$ 19,104	\$ 19,184	\$ 18,948
Reinsurance Assumed	2,262	2,289	4,052	3,309	3,508
Reinsurance Ceded:	(3,784)	(4,857)	(4,926)	(4,322)	(3,076)
<b>Net Premiums Written</b>	<b>\$ 20,435</b>	<b>\$ 18,424</b>	<b>\$ 18,230</b>	<b>\$ 18,171</b>	<b>\$ 19,380</b>

### **Assumed Reinsurance**

The Company's assumed reinsurance is solely comprised of the premium assumed from its affiliate KaMMCO Casualty under a 100% Quota Share contract, except for policies issued by KaMMCO Casualty in the states of Kansas and Missouri associated with COPIC Insurance Company ("COPIC") insured's that reside in Kansas, of which 50% is assumed by KaMMCO. KaMMCO Casualty directly writes this coverage and cedes 50% to KaMMCO and the other 50% to COPIC. The business assumed from KaMMCO Casualty is reinsured through KaMMCO's reinsurance program.

### **Ceded Reinsurance**

During 2021, the Company ceded premiums for liability excess of loss to Hannover Ruck SE, Peak Reinsurance Company Limited ("Peak"), and Lloyd's of London Syndicates ("Lloyd's") and ceded premiums for common loss and awards made excess of loss to Peak and Lloyd's. KaMMCO reinsures 90% of excess loss policies up to \$1,000,000 of coverage in excess of KaMMCO's retention of \$200,000 and \$800,000 in coverage provided by the Kansas Health Care Stabilization Fund. KaMMCO reinsures 100% of its excess policies over \$2,000,000 for the purpose of limiting its exposure for unusually large losses. These coverages include some facultative reinsurance placements with Endurance American Insurance Company on a limited basis for hospital professional liability, where accounts are seeking higher limits than are otherwise

available. Excess loss and umbrella premiums ceded in 2021 and 2020 totaled \$1,712,310 and \$1,913,778, respectively, and were ceded to reinsurers with KaMMCO retaining commissions at varying commission rates for a total of \$107,075 and \$184,182 for the years ended December 31, 2021, and 2020, respectively.

The Company also ceded premiums through a 50% quota share reinsurance agreement with The Mutual Risk Retention Group, Inc. for medical professional liability insurance claims-made coverage and all ancillary coverages issued in connection with the medical professional liability insurance claims-made coverage.

A cyber liability reinsurance program is in place for insureds, with 100% of the risk placed with Houston Casualty Company. This program generally provides \$50,000 of coverage for physicians and \$100,000 of coverage for hospitals, though higher limits are available. Ceding commissions earned by the Company total \$139,032 and \$123,022 for the years ended December 31, 2021, and 2020, respectively.

Beginning January 1, 2018, KaMMCO entered into a three year aggregate stop loss reinsurance contract with Munich Re whereby net retained losses above the loss ratio thresholds of 68%, 73%, and 78% for contract years 1 through 3 are reinsured by the reinsurer. Ceded premium was based on 7% of the net premium written for Kansas and Missouri, and 8% of the net premium written in Connecticut. This reinsurance program included a profit commission based on 2% of subject premium that was received at commutation, and KaMMCO could commute after three years assuming the profit commission was positive. The Company did not renew this policy in 2021.

All ceded reinsurance agreements reviewed provided for the transfer of risk. However, the Company is contingently liable for all reinsurance losses ceded to others.

This contingent liability would become an actual liability in the event an assuming reinsurer fails to perform its obligations under the reinsurance 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. There were no adjustments to the Company's filed statutory financial statements as a result of this examination.



**KaMMCO**  
**STATEMENT OF ASSETS**  
**AS OF DECEMBER 31, 2021**

	Assets	Assets Nonadmitted	Net Admitted Assets
Bonds	\$81,630,325	\$ -	\$81,630,325
Common stocks	36,816,789	1,968	36,814,821
Real Estate: Properties occupied by the company	7,507,703	-	7,507,703
Cash and cash equivalent	17,099,612	-	17,099,612
Other invested assets	11,791,463	1,940,000	9,851,463
Aggregate write-ins for invested assets	2,107,685	-	2,107,685
Investment income due and accrued	953,525	-	953,525
Premium considerations:			
Uncollected premiums and agents' balances in the course of collection	240,165	-	240,165
Deferred premiums, agents' balances and installments booked but deferred, and not yet due	22,052	-	22,052
Amounts recoverable from reinsurers	1,127,552	-	1,127,552
Current federal and foreign income tax recoverable	372,869	-	372,869
Electronic data equipment and software	343,321	69,233	274,088
Furniture and equipment, including health care delivery assets	88,003	88,003	-
Receivable from parent, subsidiaries, and affiliates	239,213	-	239,213
Aggregate write-ins for other-than invested assets	2,867,710	1,309,729	1,557,981
<b>Total</b>	<b>\$163,207,987</b>	<b>\$ 3,408,933</b>	<b>\$ 159,799,054</b>

**KaMMCO**  
**STATEMENT OF LIABILITIES AND SURPLUS**  
**AS OF DECEMBER 31, 2021**

Losses	\$ 19,756,000
Reinsurance payable on paid losses and loss adjustment expenses	1,594,716
Loss adjustment expenses	19,790,000
Commissions payable, contingent commissions and other similar changes	697,011
Other expenses	396,050
Taxes, licenses, and fees	187,749
Borrowed money	11,372,357
Unearned premiums	2,443,103
Advance premiums	10,102,287
Ceded reinsurance premiums payable	2,581,118
Amounts withheld or retained by the company for accounts of others	3,720,043
Payable to parent, subsidiaries, and affiliates	2,094
Aggregate write-ins for liabilities	102,829
Total liabilities	<u>72,745,357</u>
Unassigned funds (surplus)	<u>87,053,697</u>
Surplus as regards policyholders	<u>87,053,697</u>
Totals	<u><u>\$ 159,799,054</u></u>

**KaMMCO**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Premiums earned	\$19,195,014
<b>DEDUCTIONS</b>	
Losses incurred	7,981,811
Loss adjustment expense incurred	9,500,585
Other underwriting expenses incurred	7,186,594
Total underwriting deductions	<u>24,668,990</u>
Net underwriting gain	(5,473,976)
 <b>INVESTMENT INCOME</b>	
Net investment income earned	1,509,895
Net realized capital gains less capital gains tax	3,762,095
Net investment gain	<u>5,271,990</u>
 <b>OTHER INCOME</b>	
Aggregate write-ins for miscellaneous income	309,186
Total other income	<u>309,186</u>
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	107,200
Dividends to policyholders	<u>288,500</u>
Net income, after dividends to policyholder, after capital gains tax and before all other federal and foreign income taxes	(181,300)
Federal and foreign income taxes incurred	<u>(23,439)</u>
Net income	<u>\$ (157,861)</u>

**KaMMCO**  
**CAPITAL AND SURPLUS ACCOUNT**  
**RECONCILIATION OF CAPITAL AND SURPLUS SINCE LAST EXAMINATION**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Surplus as regards policyholders, December 31 prior year	\$ 103,535,398	\$ 106,034,563	\$ 88,244,940	\$ 78,216,821	\$ 84,122,925
Net income (loss)	1,120,062	(76,912)	(26,498,630)	2,118,894	(157,861)
Change in net unrealized capital gains or (losses)	2,307,399	(17,528,915)	18,541,681	646,368	3,520,150
Change in net deferred income tax	(1,092,216)	(148,674)	(810,707)	(118,940)	(652,123)
Change in nonadmitted assets	153,920	(49,122)	(1,258,463)	3,235,782	208,606
Change in provision for reinsurance	10,000	14,000	(2,000)	24,000	12,000
Surplus as regards policyholders, December 31 current year	<u>\$ 106,034,563</u>	<u>\$ 88,244,940</u>	<u>\$ 78,216,821</u>	<u>\$ 84,122,925</u>	<u>\$87,053,697</u>

## **ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS**

No adjustments were made to surplus as a result of this examination. The surplus of the Company as of December 31, 2021, was \$87,053,697, which was the same amount reported by the Company in its 2021 filed Annual Statement.

## **COMMENTS ON FINANCIAL STATEMENTS**

There were no significant or material findings resulting from the examination that warranted inclusion in this Report on Examination.

## **SUBSEQUENT EVENTS**

The COVID-19 pandemic has continued to develop throughout 2020, 2021 and into 2022, with significant uncertainty remaining regarding the full effect of COVID-19 on the U.S. and global insurance and reinsurance industry. At the time of releasing this report, the examination's review noted that there has not been a significant impact to the Company.

## **SUMMARY OF RECOMMENDATIONS**

There were no recommendations resulting from the examination that warranted inclusion in this Report on Examination.

## **CONCLUSION**

The assistance and cooperation by the officers of the Company during this examination is hereby acknowledged and appreciated. In addition to the undersigned, Ryne Davison, CFE, Exam Manager and Derek Petersen, CFE, Senior Financial Examiner, with Lewis and Ellis, Inc. assisted on the financial portion of the examination; Lindsey Pittman, CPA, CFE, AES, CISA, and MCM, IT Exam Supervisor, and Justin Parr, AES, CISA, CPA, and CFE, IT Exam Specialist, with Lewis and Ellis, Inc. performed the information technology portion of the examination; and Katie Koch, FCAS, MAAA, Actuarial Specialist with Lewis and Ellis, Inc. performed an actuarial review of the Company.

Respectfully submitted,

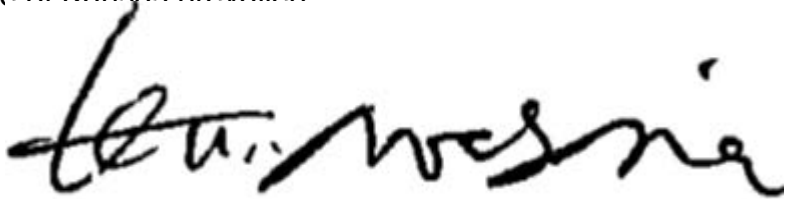


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Mel Heaps, CFE  
Examiner-in-Charge  
Lewis and Ellis, Inc., representing the Kansas  
Insurance Department

## **SUPERVISION**

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the Handbook has been confirmed except where practices, procedures and applicable regulations of the Department and statutes of the State of Kansas prevailed.

A handwritten signature in black ink, appearing to read "Levi Nwasoria", written over a horizontal line.

Levi Nwasoria, CPA, CFE  
Chief Examiner  
Kansas Insurance Department

**EXHIBIT S**  
**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND**  
**PROCEDURES USED IN AN EXAMINATION**

State of NEBRASKA,

County of GARDEAU,

MEL HEAPS, being duly sworn, states as follows:

1. I have authority to represent the Kansas Insurance Department in the examination of Kansas Medical Mutual Insurance Company.
2. The Kansas Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Kansas Medical Mutual Insurance Company was performed in a manner consistent with the standards and procedures required by K.S.A 40-222.

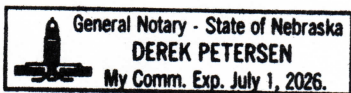
The affiant says nothing further.

*Mel Heaps*

Examiner's Signature

Subscribed and sworn before me by MEL HEAPS on this 9<sup>th</sup> day of MAY, 20 23.

(SEAL)



*Derek Petersen*

Notary Public

My commission expires July 1, 2026 [date].