

STATE OF MISSOURI



DEPARTMENT OF COMMERCE & INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

ORDER

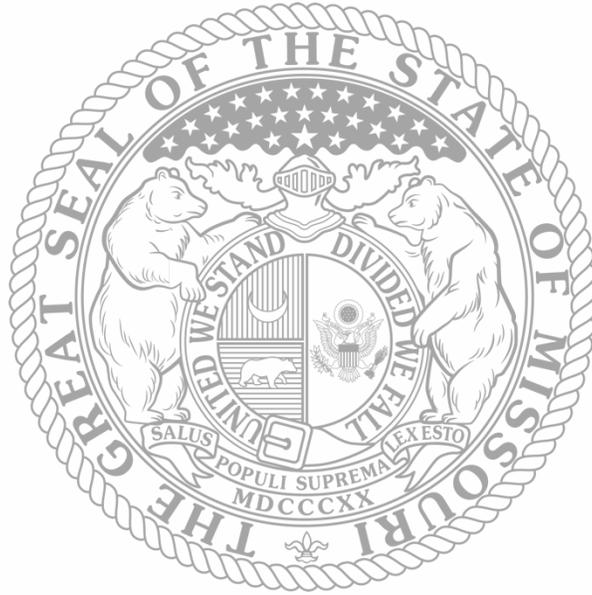
After full consideration and review of the report of the financial examination of Columbia Mutual Insurance Company for the period ended December 31, 2022, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant finding, company history, management and control, territory and plan of operation, growth of company and loss experience, reinsurance, accounts and records, financial statements, comments on financial statement items, financial statement changes resulting from examination, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Columbia Mutual Insurance Company as of December 31, 2022, be and is hereby ADOPTED as filed and for Columbia Mutual Insurance Company to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 18th day of April, 2024.



Chlora Lindley-Myers
Chlora Lindley-Myers, Director
Department of Commerce and Insurance



REPORT OF
FINANCIAL EXAMINATION OF

COLUMBIA MUTUAL INSURANCE COMPANY

AS OF
DECEMBER 31, 2022

STATE OF MISSOURI
DEPARTMENT OF COMMERCE & INSURANCE

JEFFERSON CITY, MISSOURI

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Jefferson City, MO
March 19, 2024

Honorable Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your financial examination warrant, a full-scope financial examination has been made of the records, affairs, and financial condition of

Columbia Mutual Insurance Company (NAIC #40371)

hereinafter referred to as Columbia Mutual, CMIC, or as the Company. Its administrative office is located at 2102 White Gate Drive, Columbia, Missouri, 65202, telephone number (573) 474-6193. The fieldwork for this examination began on April 2, 2023, and concluded on the above date.

SCOPE OF EXAMINATION

Period Covered

The Missouri Department of Commerce and Insurance (Department) has performed a multiple-state financial examination of Columbia Mutual. The last examination of the Company by the Department covered the period of January 1, 2014, through December 31, 2017. The current examination covers the period of January 1, 2018, through December 31, 2022, as well as a review of any material transactions and events occurring subsequent to the examination period through the date of this report.

Procedures

We conducted our examination in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook (Handbook)*, except where practices, procedures, and applicable regulations of the Department or statutes of the state of Missouri prevailed. 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 the identification and evaluation of significant risks that could cause the Company's surplus to be materially misstated, both on a current and prospective basis.

This examination also included a review of significant estimates made by management and evaluation of management's compliance with Statutory Accounting Principles. 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 will be documented separately following the Company's financial statements.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. Those activities considered in the examination as key to CMIC included Investments, Underwriting, Claims Handling, Reserving, and Reinsurance. The examination also included a review and evaluation of information technology general controls.

This examination was conducted as part of a coordinated examination of the Columbia Insurance Group, which includes three insurance companies domiciled in various states. The Missouri Department of Commerce and Insurance is the lead state regulator for the group. The examination was coordinated with the Nebraska Department of Insurance's examination of Columbia National Insurance Company (CNIC) and with the Texas Department of Insurance's examination of Association Casualty Insurance Company (ACIC).

This examination report includes significant findings of fact, as mentioned in Section 374.205 of the Revised Statutes of Missouri (RSMo) (Examination, director may conduct, when...) and general information about the Company 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 are separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

There were no material adverse findings, significant non-compliance issues, or material changes to the financial statements noted during the examination.

COMPANY HISTORY

General

The Company was incorporated and commenced business on June 3, 1940, under the name Missouri Farmers Mutual Hail Insurance Company. After surviving several mergers and undergoing several name changes, the Company adopted its current name, Columbia Mutual Insurance Company, on December 1, 1989. An affiliate, Great Plains Mutual Insurance Company, was merged into CMIC on August 1, 2001.

The Company operates as a mutual property and casualty insurer under the insurance laws of Chapter 379 RSMo (Insurance Other Than Life). The Company and its subsidiaries collectively operate under the brand name of Columbia Insurance Group (the Group).

Mergers, Acquisitions, and Major Corporate Events

On February 1, 2021, CMIC sold its outstanding shares of Georgia Casualty & Surety Company (GCS) to Builders Mutual Insurance Company. Prior to the close of business on December 31, 2020, GCS commuted its claim liabilities to CMIC and exited the pooling agreement. With the prior approval of the Georgia Office of Insurance Commissioner, most of GCS's remaining net assets were transferred to CMIC at that time, and CMIC's participation in the pooling agreement increased from 64% to 74%.

Dividends and Capital Contributions

As a mutual company, CMIC does not have any stockholders, and therefore, no stockholder dividends were declared or paid during the period under examination. The Company received dividends in 2018, 2020, and 2021 from its insurance subsidiaries, as outlined in the table below:

| Year | CNIC | ACIC | GCS | Total |
|--------------|---------------------|---------------------|-------------------|---------------------|
| 2018 | \$ 1,000,000 | \$ 500,000 | \$ 500,000 | \$ 2,000,000 |
| 2020 | 1,000,000 | 500,000 | - | 1,500,000 |
| 2021 | 1,000,000 | 500,000 | - | 1,500,000 |
| Total | \$ 3,000,000 | \$ 1,500,000 | \$ 500,000 | \$ 5,000,000 |

Surplus Notes

Columbia Mutual has two outstanding surplus notes as follows:

- 1) The surplus note in the amount of \$15,000,000 was issued on December 4, 2002, to I Preferred Term Securities I, LTD., and is administered by US Bank National Association. The surplus note's interest payment is due on a quarterly basis with the principal due on December 4, 2032. The carrying value of the note at year end 2022 was \$15,097,401.
- 2) The surplus note in the amount of \$5,000,000 was issued on May 15, 2003, to I Preferred Term Securities II, LTD., and is administered by US Bank National Association. The surplus note's interest payment is due on a quarterly basis with the principal due on May 15, 2033. The carrying value of the note at year end 2022 was \$5,054,943.

MANAGEMENT AND CONTROL**Board of Directors**

The management of the Company is vested in a Board of Directors (Board) that are elected by the policyholders. The Company's Articles of Association and Bylaws specify that there shall be a minimum of nine and a maximum of thirteen directors. The Board of Directors appointed and serving as of December 31, 2022, were as follows:

| <u>Name and Address</u> | <u>Principal Occupation and Business Affiliation</u> |
|--|--|
| D. Christopher Belcher Columbia, MO | Assistant Professor of Professional Practice University of Missouri |
| Lani K. Cathey Boston, MA | Chief Executive Officer XDimensional Technologies |
| Bernard J. Fechtel Jefferson City, MO | Owner and President Fechtel Beverage & Sales, Inc. |
| Laura K. Hinson Austin, TX | Retired, President & Chief Executive Officer QBE US Agencies |
| Michael J. Hotchkiss Houston, TX | Chief Executive Officer Hotchkiss Insurance Agency, LLC |
| Brent V. Kelton Magnolia, TX | Partner Moneta Ventures |
| Teresa R. Maledy Columbia, MO | Retired, Chairman & Chief Executive Officer Commerce Bank |
| Betty J. Schuster Columbia, MO | Owner Schuster Financial Services |
| Gary W. Thompson* Columbia, MO | President & Chief Executive Officer Columbia Insurance Group |

*Gary W. Thompson retired and was replaced by Todd Ruthruff effective January 1, 2024.

Senior Officers

The officers elected and serving, as of December 31, 2022, were as follows:

| <u>Name</u> | <u>Office</u> |
|--------------------|---|
| Gary Thompson* | President, Chief Executive Officer |
| Kelly Klug | Senior Vice President, Chief Financial Officer, and Treasurer |
| Claire Owen | Vice President, Secretary, General Counsel |
| Scott Mackey^ | Senior Vice President, Chief Underwriting Officer |
| Betty J. Schuster | Board Chair |

*Gary W. Thompson retired and was replaced by Todd Ruthruff, effective January 1, 2024.

^Scott Mackey retired on August 23, 2023, and as of the date of this report, a replacement has not yet been named.

Principal Committees

The Articles of Association and Bylaws do not require any committees, but the Bylaws do allow the Board of Directors to establish committees as it sees fit. The committees established and members appointed as of December 31, 2022, are as follows:

Finance Committee

Teresa Maledy, Chair
 Christopher Belcher
 Lani Cathey
 Brent Kelton
 Kelly Klug, non-voting staff liaison

Audit Committee

Laura Hinson, Chair
 Michael Hotchkiss
 Brent Kelton
 Teresa Maledy
 Kelly Klug, non-voting staff liaison

Compensation Committee

Christopher Belcher, Chair
 Lani Cathey
 Bernie Fechtel
 Michael Hotchkiss
 Julie Rinehart, non-voting staff liaison

Governance and Nominating Committee

Betty Schuster, Chair
 Bernie Fechtel
 Laura Hinson
 Gary Thompson, staff liaison

In addition to the Board Committees listed above, the Company has established the following Management Committees:

- Business Development Committee
 - Product Development Team Subcommittee
- Loss Reserve Committee
- 401(k) Plan Committee
- ERM & Investment Committee
- Employee Benefits Committee
- Technology Committee
- Data Governance Committee
 - Information Security and Data Privacy Subcommittee

Corporate Records

The Company's Articles of Association (Articles) and Bylaws were reviewed. Effective September 12, 2022, the Articles were amended and restated, in order to update Article IV, regarding requirements for the Board of Directors. Key updates included expanding the number of directors from the set number of nine to a range of nine to thirteen and removing the requirement that a majority of directors be Missouri residents. The Amended and Restated Articles also streamlined existing language and incorporated all previous amendments. The meeting minutes of the Board and related Board Committees were reviewed for the period under examination.

Holding Company, Subsidiaries, and Affiliates

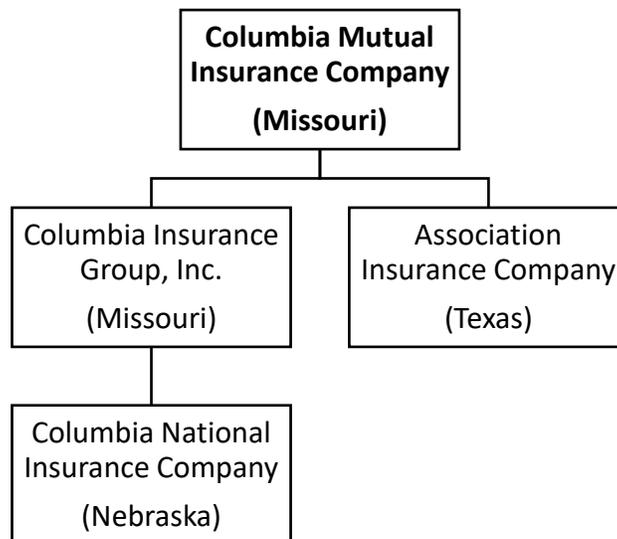
The Company is a member of an Insurance Holding Company System, as defined by Section 382.010 RSMo (Definitions). An Insurance Holding Company System Registration Statement was filed by Columbia Mutual for each year of the examination period. The Company does not have any stockholders or controlling entity due to its formation as a mutual insurer. As such, Columbia Mutual is ultimately 100% owned by its policyholders.

Below is a description of the business operations of CMIC's subsidiaries and affiliates.

- **Columbia Insurance Group, Inc. (CIG)** – A holding company for the Company's insurance subsidiary CNIC. CIG employees perform all functions of CMIC and its subsidiaries.
- **Columbia National Insurance Company** – A Nebraska property and casualty insurer that was formed in 1985 and acquired by Columbia Mutual in 1988.
- **Association Casualty Insurance Company** – A Texas property and casualty insurer that was formed in 1978 and acquired by Columbia Mutual in 2008.

Organizational Chart

The following organizational chart depicts the applicable portion of the holding company group as of December 31, 2022.



Intercompany Transactions

The following agreements represent significant contracts executed with affiliated entities that were in effect as of December 31, 2022. A brief description of these agreements are as follows:

Personnel and Services Agreement: This agreement, updated effective January 1, 2021, is between CIG, CMIC, CNIC, and ACIC. Per the agreement, CIG serves as the common employer and paymaster for the personnel utilized by the affiliated companies, and is responsible for the wages, salaries, employee benefits, payroll taxes and other related costs for such personnel. CIG also maintains such systems as is necessary for the calculation and withholding of taxes and other amounts required under state and federal regulations.

Facilities and Services Agreement: This agreement is between CMIC, CNIC, and ACIC, with an effective date of January 1, 2021. Under the terms of the agreement, CMIC provides certain facilities, equipment, supplies, and other services necessary for CNIC and ACIC to conduct business in a more effective and efficient manner.

Tax Allocation Agreement: This agreement, effective for the tax year ending December 31, 2022, is between CIG, CMIC, CNIC, and ACIC. Per the agreement, CMIC and all of its subsidiaries participate in a tax allocation agreement, whereby each participant's tax liability or credit is apportioned in the same basis as that which the income of the participant bears upon the consolidated income of the Group as a whole. CMIC is responsible for the filing of the tax returns on behalf of the participants.

TERRITORY AND PLAN OF OPERATION

CMIC is licensed as a property and casualty insurer by the Missouri Department of Commerce and Insurance under Chapter 379 RSMo (Insurance Other Than Life). The Company is licensed in a total of 28 states, but only writes business in 15 states, largely concentrated in the Midwestern region of the United States. Primary lines of business include commercial multiple-peril, private and commercial passenger auto liability and auto physical damage.

GROWTH OF COMPANY AND LOSS EXPERIENCE

The table below summarizes the Company's premium writings and writing ratio for the period under examination:

(\$000s omitted)

| Year | Net Premiums Written | Change in Net Premiums | Capital and Surplus | Ratio of Net Premiums to Surplus |
|-------------|-------------------------------------|---------------------------------------|--------------------------------|---|
| 2018 | \$ 139,810 | \$ (12,571) | \$ 179,151 | 78.04% |
| 2019 | 135,257 | (4,553) | 176,337 | 76.70% |
| 2020 | 122,980 | (12,277) | 188,661 | 65.19% |
| 2021 | 141,861 | 18,881 | 208,470 | 68.05% |
| 2022 | 157,986 | 16,125 | 198,555 | 79.57% |

The table below summarizes the Company's incurred losses and loss ratios for the period under examination:

(\$000s omitted)

| Year | Net Premiums | Net Losses and | Loss Ratio |
|------|--------------|--------------------------|------------|
| | Earned | Loss Adjustment Expenses | |
| 2018 | \$ 144,077 | \$ 96,218 | 66.78% |
| 2019 | 138,328 | 114,317 | 82.64% |
| 2020 | 126,041 | 83,597 | 66.33% |
| 2021 | 139,176 | 88,658 | 63.70% |
| 2022 | 150,091 | 110,858 | 73.86% |

The fluctuation in the losses and loss adjustment expenses (LAE) over the exam period was primarily a result of the reduction in the both the number and severity of claims during 2020 and 2021, as well as favorable development within the accident years prior to 2021.

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)

| Premium Type | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Direct Premiums Written | \$ 168,890 | \$ 166,416 | \$ 153,814 | \$ 156,085 | \$ 158,772 |
| Reinsurance Assumed: | | | | | |
| Affiliates | 64,167 | 56,758 | 49,959 | 56,981 | 70,979 |
| Non-Affiliates | 357 | 396 | 355 | 476 | 497 |
| Reinsurance Ceded: | | | | | |
| Affiliates | 72,023 | 66,582 | 60,572 | 49,834 | 55,508 |
| Non-Affiliates | 21,580 | 21,730 | 20,576 | 21,848 | 16,754 |
| Net Premiums Written | \$ 139,810 | \$ 135,257 | \$ 122,980 | \$ 141,861 | \$ 157,986 |

Assumed Reinsurance

CMIC assumes 100% of the net retained business from its subsidiaries, CNIC and ACIC, pursuant to an Intercompany Reinsurance Agreement. Retrocession of the pooled business to the subsidiaries is discussed in the Ceded Reinsurance section below.

CMIC also has immaterial business assumed from participation in pools and associations.

Ceded Reinsurance

CMIC obtains external reinsurance on the pooled business and then apportions the net risks retained back to the pool participants. The current pooling percentages are 74% for CMIC, 17% for CNIC and 9% for ACI.

CMIC's external reinsurance program is primarily with General Reinsurance Company providing property per risk, casualty, workers' compensation, and umbrella coverage on an excess of loss basis. CMIC also has property catastrophe coverage with other outside reinsurers. As of December 31, 2022, catastrophe coverage was 95% of \$40 million in excess of a \$10 million retention.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that an assuming reinsurer fails to perform its obligations under the reinsurance contract.

ACCOUNTS AND RECORDS

Independent Auditor

The certified public accounting (CPA) firm, BKD, LLP (BKD), of Kansas City, Missouri, performed the statutory audits of the Company for years 2018 through 2021. In 2022, BKD merged with Dixon Hughes Goodman LLP and began operating under the name FORVIS, LLP (FORVIS). FORVIS, of Kansas City, Missouri, performed the 2022 statutory audit of the Company. Reliance was placed upon the CPA workpapers as deemed appropriate.

Actuarial Opinion

The Company's actuarial opinion regarding loss reserves, loss adjustment expense reserves, and other actuarial items was issued by Scott Anderson, FCAS, MAAA, for 2021 and 2022. Mr. Anderson is the President of Actuarial Advisors, Inc. (AAI), in Minneapolis, Minnesota. The actuarial opinion for year-ends 2018 through 2020 were prepared by Richard V. Atkinson, FCAS, who was also employed with AAI.

Consulting Actuary

Pursuant to a contract with the Department, Kristine M. Fitzgerald, ACAS, MAAA, FCA, of Actuarial & Technical Solutions, Inc., reviewed the underlying actuarial assumptions and methodologies used by Columbia Mutual to determine the adequacy of loss reserves and LAE reserves. Ms. Fitzgerald determined that the Company made a reasonable provision for the loss and LAE reserves that were reported in the statutory financial statements, as of December 31, 2022.

Information Systems

The Department also engaged a third-party firm, Baker Tilly US, LLP (Baker Tilly), to perform a review of the Group's information technology systems, policies, and procedures. Baker Tilly's work was completed under the supervision of Kimberly Dobbs, CFE, AES, CISA, Information Systems Examiner-in-Charge for the Department.

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 Columbia Mutual Insurance Company for the period ending December 31, 2022. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the financial statements and should be considered an integral part of the financial statements. The failure of any column of numbers to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Comments on Financial Statement Items." These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual key activity.

ASSETS

As of December 31, 2022

| | Assets | Nonadmitted Assets | Net Admitted Assets |
|--|-----------------------|-------------------------------|--------------------------------|
| Bonds | \$ 253,184,229 | \$ - | \$ 253,184,229 |
| Stocks: | | | |
| Preferred Stocks | 2,101,364 | - | 2,101,364 |
| Common Stocks | 90,703,909 | - | 90,703,909 |
| Mortgage Loans on Real Estate: | | | |
| First Liens | 1,140,429 | - | 1,140,429 |
| Real Estate: | | | |
| Properties Occupied by the Company | 4,748,459 | - | 4,748,459 |
| Cash, Cash Equivalents, and Short- Term Investments | 16,867,113 | - | 16,867,113 |
| Other Invested Assets | 34,509 | - | 34,509 |
| Investment Income Due and Accrued Premiums and Considerations: | 1,704,864 | - | 1,704,864 |
| Uncollected Premiums and Agents' Balances in the Course of Collection | 21,467,362 | 289,873 | 21,177,489 |
| Deferred Premiums, Agents' Balances, and Installments Booked but Deferred and Not Yet Due | 31,524,649 | 85,863 | 31,438,786 |
| Reinsurance: | | | |
| Amounts Recoverable from Reinsurers | 202,166 | - | 202,166 |
| Funds Held by or Deposited with Reinsured Companies | 24,531 | - | 24,531 |
| Other Amounts Receivable Under Reinsurance Contracts | 1,403,135 | - | 1,403,135 |
| Current Federal and Foreign Income Tax Recoverable and Interest Thereon | 3,226,457 | - | 3,226,457 |
| Net Deferred Tax Asset | 6,194,596 | 107,077 | 6,087,519 |
| Guaranty Funds Receivable or on Deposit | 137,332 | - | 137,332 |
| Electronic Data Processing Equipment and Software | 939,234 | 756,926 | 182,308 |
| Furniture and Equipment, Including Health Care Delivery Assets | 129,161 | 129,161 | - |
| Receivables from Parent, Subsidiaries, and Affiliates | 291,689 | - | 291,689 |
| Aggregate Write-Ins for Other-Than- Invested Assets | 2,068,377 | 1,529,188 | 539,189 |
| TOTAL ASSETS | \$ 438,093,565 | \$ 2,898,088 | \$ 435,195,477 |

LIABILITIES, SURPLUS AND OTHER FUNDS

As of December 31, 2022

| | |
|--|-----------------------|
| Losses | \$ 118,165,355 |
| Reinsurance Payable on Paid Losses and Loss Adjustment Expenses | 806,901 |
| Loss Adjustment Expenses | 28,306,620 |
| Commissions Payable, Contingent Commissions, and Other Similar Charges | 6,680,477 |
| Other Expenses | 4,161,922 |
| Taxes, Licenses, and Fees | 751,208 |
| Unearned Premiums | 73,101,397 |
| Advance Premiums | 1,281,022 |
| Ceded Reinsurance Premiums Payable (Net of Ceding Commissions) | 1,099,618 |
| Remittances and Items Not Allocated | 100,202 |
| Provision for Reinsurance | 19,425 |
| Payable to Parent, Subsidiaries, and Affiliates | 1,257,579 |
| Aggregate Write-Ins for Liabilities | 908,647 |
| TOTAL LIABILITIES | \$ 236,640,373 |
| Aggregate Write-Ins for Special Surplus Funds | 2,777,416 |
| Surplus Notes | 20,152,344 |
| Unassigned Funds (Surplus) | 175,625,344 |
| TOTAL CAPITAL AND SURPLUS | \$ 198,555,104 |
| TOTAL LIABILITIES AND SURPLUS | \$ 435,195,477 |

STATEMENT OF INCOME
For the Year Ended December 31, 2022

| | |
|--|------------------------------|
| Premiums Earned | \$ 150,091,243 |
| DEDUCTIONS: | |
| Losses Incurred | 94,644,196 |
| Loss Adjustment Expenses Incurred | 16,213,745 |
| Other Underwriting Expenses Incurred | 50,610,230 |
| Aggregate Write-Ins for Underwriting Deductions | 25,342 |
| Total Underwriting Deductions | <u>\$ 161,493,513</u> |
| Net Underwriting Gain (Loss) | \$ (11,402,270) |
| Net Investment Income Earned | 5,280,683 |
| Net Realized Capital Gains | 112,020 |
| Net Investment Gain (Loss) | \$ 5,392,703 |
| Net Gain (Loss) from Agents' or Premium Balances Charged Off | \$ (328,091) |
| Finance and Service Charges Not Included in Premiums | 1,058,274 |
| Aggregate Write-Ins for Miscellaneous Income | 5,000 |
| Dividends to Policyholders | 304,724 |
| Federal and Foreign Income Taxes Incurred | (368,233) |
| NET INCOME (LOSS) | <u>\$ (5,210,875)</u> |

RECONCILIATION OF CAPITAL AND SURPLUS
Changes from January 1, 2018, to December 31, 2022

(\$000s omitted)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital and Surplus, Beginning of Year | \$ 172,883 | \$ 179,151 | \$ 176,337 | \$ 188,661 | \$ 208,470 |
| Net Income (Loss) | 12,159 | (6,856) | 9,080 | 9,684 | (5,211) |
| Change in Net Unrealized Capital Gains (Losses) | | | | | |
| Less Capital Gains Tax | (2,067) | 4,078 | (10,848) | 26,156 | (8,110) |
| Change in Net Deferred Income Tax | (2,662) | 1,305 | (1,131) | (400) | 319 |
| Change in Nonadmitted Assets | (1,268) | (1,208) | 872 | 702 | 83 |
| Change in Provision for Reinsurance | 4 | 1 | - | (4) | (16) |
| Change in Surplus Notes | 22 | (14) | (26) | 6 | 64 |
| Aggregate Write-Ins for Gains and Losses in Surplus | 80 | (120) | 14,377 | (16,337) | 2,955 |
| Net Change in Capital and Surplus | 6,269 | (2,814) | 12,324 | 19,807 | (9,916) |
| Capital and Surplus, End of Year | \$ 179,151 | \$ 176,337 | \$ 188,661 | \$ 208,470 | \$ 198,555 |

COMMENTS ON FINANCIAL STATEMENT ITEMS

None.

FINANCIAL STATEMENT CHANGES RESULTING FROM EXAMINATION

None.

SUMMARY OF RECOMMENDATIONS

None.

SUBSEQUENT EVENTS

Effective September 30, 2023, Columbia Mutual received a dividend from CIG of 100% of the outstanding stock of CNIC. Therefore, as of September 30, 2023, Columbia Mutual directly owns 100% of the common stock of all three of its subsidiary companies, CNIC, ACIC, and CIG.

ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and the employees of Columbia Mutual Insurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Kim Waller, CFE, Lisa Li, CFE, CPA, ARe, James Le, CFE, CPA, ARe, and Kim Dobbs, CFE, AES, examiners for the Missouri Department of Commerce and Insurance, also participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Marc Peterson, CFE, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records, or other documents of Columbia Mutual Insurance Company, its agents or other persons examined, or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

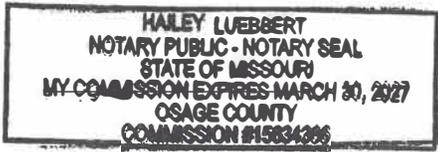


Marc Peterson, CFE
Examiner-In-Charge
Missouri Department of Commerce and
Insurance

Sworn to and subscribed before me this 29 day of March, 2024.

My commission expires: March 30, 2027


Notary Public



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 *Financial Condition Examiners Handbook* has been confirmed, except where practices, procedures, and applicable regulations of the Missouri Department of Commerce and Insurance and statutes of the state of Missouri prevailed.



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