

Examination Warrant Number 21-00000-27340-R1

**Report of Examination of
Centre County Mutual Fire Insurance Company Patrons of
Husbandry
Bellefonte, Pennsylvania**

As of December 31, 2021

For Informational Purposes Only

Centre County Mutual Fire Insurance Company Patrons of Husbandry

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Harrisburg, Pennsylvania
May 1, 2023

Honorable Diana L. Sherman
Acting Deputy Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
Harrisburg, Pennsylvania

Dear Madam:

In accordance with instructions contained in Examination Warrant Number 21-00000-27340-R1, dated August 9, 2021, an examination was made of

**Centre County Mutual Fire Insurance Company Patrons of Husbandry,
NAIC Code: 27340**

a Pennsylvania domiciled, single-state, property and casualty company hereinafter referred to as the "Company." The Company's home office is located at 3555 Benner Pike, Suite 100 Bellefonte, Pennsylvania. The examination was conducted off-site due to COVID-19 restrictions.

A report of this examination is hereby respectfully submitted.

SCOPE OF EXAMINATION

The Pennsylvania Insurance Department ("Department") has performed an examination of the Company, which was last examined as of December 31, 2016. This examination covered the five-year period from January 1, 2017 through December 31, 2021.

Work programs employed in the performance of this examination were designed to comply with the standards promulgated by the Department and the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook* ("Handbook").

The Handbook requires that the Department plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, evaluate system controls and procedures used to mitigate those risks, and review subsequent events. 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.

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.

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This examination report includes significant findings of fact, in accordance with 40 P.S. § 323.5(a), 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 separately communicated to other regulators and/or the Company.

For each year of the examination period, the certified public accounting firm of Ritchey, Ritchey & Koontz (“CPA”) provided an unmodified audit opinion on the Company’s year-end financial statements based on statutory accounting principles. Relevant work performed by the CPA, during its annual audit of the Company, was reviewed during the examination and incorporated into the examination workpapers.

HISTORY

The Company was incorporated and licensed by the Department on February 2, 1877. The Company commenced business on February 12, 1877.

The Company is currently authorized to transact those classes of insurance described in 40 P.S. § 382 (b)(1) Property and Allied Line, (b)(2) Inland Marine and Physical Damage, (c)(4) Other Liability, (c)(6) Burglary and Theft, (c)(9) Elevator, and (c)(10) Livestock.

MANAGEMENT AND CONTROL

SURPLUS REQUIREMENTS

The Company’s minimum net worth to conduct the business described above, pursuant to 40 P.S. § 386 is \$950,000 in minimum net worth. The Company has met all governing surplus requirements throughout the examination period.

BOARD OF DIRECTORS

Management of the Company is vested in its Board of Directors (“Board”), which was comprised of the following members as of the examination date, December 31, 2021:

Name and Address	Principal Occupation
Joseph R. Urbanick Bellefonte, Pennsylvania	Retired Insurance Agent
Kevin R. Klein Port Matilda, Pennsylvania	Retired Certified Public Accountant
Darlene W. Confer Centre Hall, Pennsylvania	Retired Pennsylvania State University Researcher
David B. Wasson State College, Pennsylvania	Insurance Agent Wasson Insurance Agency, Inc.
Robert C. Gleghorn Lock Haven, Pennsylvania	Insurance Agent Brifandi, Gleghorn and Associates

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Justin K. Houser
Bellefonte, Pennsylvania

Attorney
Coploff, Ryan, Welch, & Houser

Daniel G. Sherman
Beech Creek, Pennsylvania

Convenience Store Clerk
Kahaua, LLC

Gary A. Gould
Locust Grove, Virginia

Business Manager
The Urban Farmhouse Store LLC

Thomas A. Hendershot
Mill Hall, Pennsylvania

Network Architect
PA State Employee's Credit Union

In accordance with Article IV, Section 4.2 of the Company's by-laws, Election of Directors, the Board of Directors shall be divided into the following three classes: Class A, Class B and Class C. At each annual meeting of the Members, one class of directors is elected for a term of three (3) years.

COMMITTEES

As of December 31, 2021, the following committees were appointed by the Board and serving in accordance with the Company's by-laws:

Finance, Investment and Audit

Kevin Klein*
Joseph Urbanick
Gary Gould
David Wasson
Marc Heidrich

Compensation and Benefit

Robert Gleghorn*
Joseph Urbanick
Kevin Klein
Justin Houser

Corporate Governance

Justin Houser*
Joseph Urbanick
Robert Gleghorn
Gary Gould
Thomas Hendershot

*Indicates chairman

OFFICERS

As of December 31, 2021, the following officers were appointed and serving in accordance with the Company's by-laws:

Name

Joseph R. Urbanick
Kevin R. Klein
Darlene W. Confer
David B Wasson

Title

President
Treasurer, CFO
Secretary
Assistant Secretary

CORPORATE RECORDS

MINUTES

A compliance review of corporate minutes revealed the following:

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- The Annual Meetings of the Company's policyholders were held in compliance with its by-laws.
- The policyholders elect directors at such meetings in compliance with the by-laws.
- The policyholders ratified the prior year's actions of the officers and directors.
- Quorums were present at all directors' meetings.
- The Company's investment transactions are reviewed by the Board.
- All directors attend Board meetings regularly.
- The Company's Board minutes show approval of its reinsurance contracts.

ARTICLES OF INCORPORATION

There were no changes to the Company's Articles of Incorporation during the examination period.

BY-LAWS

The Company's by-laws were amended during the examination period on March 2, 2021. A brief summary of significant changes is described below:

Article 10 – Officers: The Company removed the maximum number of consecutive years that an Officer can serve.

SERVICE AND OPERATING AGREEMENTS

The Company is party to customary service and operating agreements generally found in the normal course of business.

REINSURANCE

CEDED

The Company's ceded premium for 2021 was \$980,779 which is approximately 12.6% of its surplus. The Company's net amount recoverable for 2021 was approximately \$1,538,000. As of December 31, 2021, the Company had \$16,887 outstanding due recoverables from its reinsurers.

Various Reinsurers

Effective January 1, 2021, the Company entered into a multiple line excess of loss contract with a term of 1 year.

The Company's retention and the reinsurance limits are as follows:

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<u>Type of Business Covered</u>	<u>Company's Retention</u>	<u>Reinsurance Limits</u>
Property	\$75,000	\$950,000 per risk
Casualty	\$75,000	\$1,025,000 combined net loss per occurrence
Property & Casualty	\$75,000	\$75,000 (Basket Retention)

Various Reinsurers

Effective January 1, 2021, the Company entered into an aggregate excess of loss contract with a term of 1 year.

The Company's retention and the reinsurance limits are as follows:

<u>Type of business Covered</u>	<u>Company's Retention</u>	<u>Reinsurer's Limit</u>
Property and Casualty	70% of Gross net earned premium income	100% of the Ultimate Net Loss over and above an initial ultimate net loss equal to 70% of Gross Net Earned premium income

Various Reinsurers

Effective January 1, 2021, the Company entered into a property facultative per risk excess of loss contract with a term of 1 year.

The Company's retention and the reinsurance limits are as follows:

<u>Company's Retention</u>	<u>Reinsurer's Limit</u>
Minimum of \$600,000	Maximum succession - \$800,000

For all reinsurance contracts above the reinsurer's percentages are as follows:

<u>Reinsurers</u>	<u>Reinsurance Percentage</u>
American Agricultural Insurance Company	18.50%
Aspen Re America, Inc.	2.50%
Employers Mutual Casualty Company	20.00%
Farmers Mutual Hail Insurance Company of Iowa	8.75%
Hannover Ruck SE	7.50%
Partner Reinsurance Company of the US	3.00%
Renaissance Reinsurance U.S. Inc.	20.08%
Swiss Reinsurance America Corporation	18.50%
The Toa Reinsurance Company of America	1.17%

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Guy Carpenter arranged a retrocession of 100% of Swiss Re's 18.50% participation to Farm Mutual Reinsurance Plan.

Various Reinsurers

Effective January 1, 2021, the Company entered into a facultative per risk excess of loss contract with a term of 1 year. The Company's retention and the reinsurance limits are as follows:

<u>Company's Retention</u>	<u>Reinsurance Limits</u>
\$1,000,000 each loss occurrence	\$1,000,000 each loss occurrence
	\$2,000,000 annual aggregate for acts of terrorism

The reinsurer's percentages for the above reinsurance contract are as follows:

<u>Reinsurers</u>	<u>Reinsurance Percentage</u>
Aspen Insurance UK Limited	2.00%
Berkley Re America	15.00%
Endurance Assurance Corporation	5.00%
Hannover Ruck SE	10.00%
Markel Global Reinsurance Company	9.00%
Partner Reinsurance Company of the US	2.50%
Swiss Reinsurance America Corporation	43.00%
The Toa Reinsurance Company of America	13.50%

Factory Mutual Insurance Company

Effective March 1, 2019, the Company entered into a 100% quota share reinsurance treaty which is effective until terminated by either party.

<u>Types of business Covered</u>	<u>Company's Retention</u>	<u>Reinsurance Limits</u>
Equipment Breakdown Endorsements	\$0	\$100,000
Service Line Endorsements		\$10,000

The Company's reinsurance intermediary, Guy Carpenter, is licensed by the Department as required by 40 P.S. § 321.2(a). The Company has a properly executed written agreement with Guy Carpenter in accordance with 40 P.S. § 321.3.

All reinsurance contracts contain the proper insolvency and arbitration clauses. Additionally, all contracts transfer risk as outlined in SSAP No. 62R.

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ASSUMED

The Company did not assume any business during the examination period.

TERRITORY AND PLAN OF OPERATION

The Company is only licensed in Pennsylvania. The Company writes Fire, Allied lines, Homeowners Multiple peril, Inland Marine, and Other Liability. There have been no changes in the Company's marketing philosophy since the last examination. The Company uses various independent agencies to market their products.

Line of Business	Direct and Assumed Premium	Ceded Premium	Net Written Premium	Percentage of Total
December 31, 2021				
Fire	\$ 1,250,011	\$ 235,663	\$ 1,014,348	23.7%
Allied lines	633,533	117,435	516,098	12.0%
Homeowners multiple peril	2,840,622	527,519	2,313,103	54.0%
Inland marine	56,247	10,426	45,821	1.1%
Other liability - occurrence	484,100	89,736	394,364	9.2%
Totals	<u>\$ 5,264,513</u>	<u>\$ 980,779</u>	<u>\$ 4,283,734</u>	<u>100.0%</u>

SIGNIFICANT OPERATING RATIOS AND TRENDS

The underwriting ratios summarized below are shown on an earned/incurred basis, and encompass the five-year period covered by this examination.

	Amount	Percentage
Premiums earned	\$ 17,415,141	100.0 %
Losses incurred	\$ 6,971,620	40.0 %
Loss expenses incurred	1,359,534	7.8 %
Other underwriting expenses incurred	6,336,622	36.4 %
Net underwriting gain or (loss)	2,747,365	15.8 %
Totals	<u>\$ 17,415,141</u>	<u>100.0 %</u>

The Company reported the following net underwriting, investment, and other gains or losses during the period under examination:

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	2021	2020	2019	2018	2017
Admitted assets	\$ 12,161,852	\$ 10,638,794	\$ 9,143,444	\$ 7,653,840	\$ 7,043,171
Liabilities	\$ 4,401,551	\$ 3,800,830	\$ 3,638,884	\$ 3,376,975	\$ 2,915,941
Surplus as regards policyholders	\$ 7,760,301	\$ 6,837,964	\$ 5,504,560	\$ 4,276,865	\$ 4,127,230
Gross premium written	\$ 5,264,513	\$ 4,999,443	\$ 4,530,129	\$ 4,023,237	\$ 3,547,413
Net premium written	\$ 4,283,734	\$ 4,108,315	\$ 3,798,055	\$ 3,332,326	\$ 2,963,580
Underwriting gain/(loss)	\$ 293,297	\$ 1,203,712	\$ 481,579	\$ 580,264	\$ 188,513
Investment gain/(loss)	\$ 391,985	\$ 89,162	\$ 85,334	\$ 347,728	\$ 304,242
Other gain/(loss)	\$ 42,604	\$ 45,285	\$ 45,544	\$ 32,605	\$ 22,368
Net income	\$ 619,788	\$ 1,052,659	\$ 471,357	\$ 795,153	\$ 332,457

PENDING LITIGATION

As of the date of this examination report, Company Management attested that the Company was not involved in any litigation and was not aware of any threatened litigation that could have a material adverse effect on its financial condition.

FINANCIAL STATEMENTS

The financial condition of the Company, as of December 31, 2021, and the results of its operations for the period under examination, are reflected in the following statements*:

Comparative Statement of Assets, Liabilities, Surplus and Other Funds;
Comparative Statement of Income;
Comparative Statement of Capital and Surplus; and
Comparative Statement of Cash Flow

*Note: Some financials shown in this report may contain immaterial differences to those reported in the Company's filed Annual Statements due to rounding errors.

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**Comparative Statement of Assets, Liabilities, Surplus and Other Funds
As of December 31,**

	2021	2020	2019	2018	2017
Bonds	\$ 2,522,170	\$ 2,327,735	\$ 2,256,773	\$ 0	\$ 0
Common stocks	6,408,409	5,747,721	4,126,490	5,038,747	4,827,796
Real estate	580,382	600,711	621,040	641,367	661,695
Cash, cash equivalents, and short term investments	2,033,986	1,302,750	1,467,181	1,112,708	786,177
Other invested assets	0	0	0	200,000	200,000
Subtotals, cash and invested assets	11,544,947	9,978,917	8,471,484	6,992,822	6,475,668
Investment income due and accrued	22,178	19,908	22,037	84,257	73,148
Premiums and agents' balances due	501,682	539,084	512,188	431,968	373,023
Amounts recoverable from reinsurers	16,887	44,737	7,635	14,457	32,299
Current federal and foreign income tax recoverable and interest thereon	1,600	0	30,000	0	0
Net deferred tax asset	0	5,430	62,587	123,696	78,410
Electronic data processing equipment and software	24,940	5,810	2,656	6,640	10,623
Aggregate write-ins for other than invested assets	49,618	44,908	34,857	0	0
Total	<u>\$ 12,161,852</u>	<u>\$ 10,638,794</u>	<u>\$ 9,143,444</u>	<u>\$ 7,653,840</u>	<u>\$ 7,043,171</u>
Losses	\$ 1,011,632	\$ 680,702	\$ 738,951	\$ 662,265	\$ 586,239
Loss adjustment expenses	182,630	159,255	140,862	123,095	93,435
Commissions payable, contingent commissions and other similar charges	185,630	121,237	170,599	101,343	83,178
Other expenses	127,231	116,734	93,671	53,393	127,079
Taxes, licenses and fees	11,558	11,558	17,116	36,349	28,450
Current federal and foreign income taxes	0	89,000	0	105,800	168,725
Net deferred tax liability	67,425	0	0	0	0
Unearned premiums	2,760,142	2,602,408	2,347,807	2,104,575	1,803,976
Advance premium	62,262	571	70,796	54,309	55,093
Ceded reinsurance premiums payable (net of ceding commissions)	(8,853)	17,475	52,692	133,396	(31,226)
Amounts withheld or retained by company for account of others	1,894	1,890	6,390	2,450	992
Total liabilities	4,401,551	3,800,830	3,638,884	3,376,975	2,915,941
Unassigned funds (surplus)	7,760,301	6,837,964	5,504,560	4,276,865	4,127,230
Surplus as regards policyholders	7,760,301	6,837,964	5,504,560	4,276,865	4,127,230
Totals	<u>\$ 12,161,852</u>	<u>\$ 10,638,794</u>	<u>\$ 9,143,444</u>	<u>\$ 7,653,840</u>	<u>\$ 7,043,171</u>

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Comparative Statement of Income For the Year Ended December 31,

Underwriting Income	2021	2020	2019	2018	2017
Premiums earned	\$ 4,126,000	\$ 3,853,714	\$ 3,554,823	\$ 3,031,727	\$2,848,877
Deductions:					
Losses incurred	2,060,752	1,008,513	1,450,361	1,064,826	1,387,168
Loss expenses incurred	313,757	261,461	283,595	256,977	243,744
Other underwriting expenses incurred	1,458,194	1,380,028	1,339,288	1,129,660	1,029,452
Total underwriting deductions	<u>3,832,703</u>	<u>2,650,002</u>	<u>3,073,244</u>	<u>2,451,463</u>	<u>2,660,364</u>
Net underwriting gain or (loss)	<u>293,297</u>	<u>1,203,712</u>	<u>481,579</u>	<u>580,264</u>	<u>188,513</u>
Investment Income					
Net investment income earned	209,926	156,769	130,584	359,454	229,966
Net realized capital gains or (losses)	182,059	(67,607)	(45,250)	(11,726)	74,276
Net investment gain or (loss)	<u>391,985</u>	<u>89,162</u>	<u>85,334</u>	<u>347,728</u>	<u>304,242</u>
Other Income					
Finance and service charges not included in premiums	42,604	45,285	45,544	32,605	22,368
Total other income	<u>42,604</u>	<u>45,285</u>	<u>45,544</u>	<u>32,605</u>	<u>22,368</u>
Net income before dividends to policyholders and before federal and foreign income taxes	727,886	1,338,159	612,457	960,597	515,123
Federal and foreign income taxes incurred	108,098	285,500	141,100	165,444	182,666
Net income	<u>\$ 619,788</u>	<u>\$ 1,052,659</u>	<u>\$ 471,357</u>	<u>\$ 795,153</u>	<u>\$ 332,457</u>

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**Comparative Statement of Capital and Surplus
For the Year Ended December 31,**

	2021	2020	2019	2018	2017
Surplus as regards policyholders,					
December 31, previous year	\$ 6,837,964	\$ 5,504,560	\$ 4,276,865	\$ 4,127,230	\$3,547,389
Net income	619,788	1,052,659	471,357	795,153	332,457
Net unrealized capital gains or (losses)	293,412	257,961	646,071	(541,652)	239,654
Change in net deferred income tax	6,812	9,742	(11,810)	20,575	(17,321)
Change in nonadmitted assets	2,325	13,042	122,077	(124,441)	25,051
Change in surplus as regards policyholder for the year	922,337	1,333,404	1,227,695	149,635	579,841
Surplus as regards policyholders,					
December 31, current year	<u>\$ 7,760,301</u>	<u>\$ 6,837,964</u>	<u>\$ 5,504,560</u>	<u>\$ 4,276,865</u>	<u>\$4,127,230</u>

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Comparative Statement of Cash Flow For the Year Ended December 31,

	2021	2020	2019	2018	2017
Cash from Operations					
Premiums collected net of reinsurance	\$ 4,358,824	\$3,989,019	\$ 3,653,252	\$ 3,435,175	\$ 2,911,100
Net investment income	232,059	191,175	217,920	368,673	239,507
Miscellaneous income	42,604	45,285	45,544	32,605	22,368
Total income	<u>4,633,487</u>	<u>4,225,479</u>	<u>3,916,716</u>	<u>3,836,453</u>	<u>3,172,975</u>
Benefit and loss related payments	1,701,972	1,103,864	1,366,853	970,958	1,296,403
Commissions, expenses paid and aggregate write-ins for deductions	1,673,686	1,654,953	1,514,815	1,404,599	1,234,732
Federal and foreign income taxes paid (recovered)	247,093	146,000	265,000	228,369	85,441
Total deductions	<u>3,622,751</u>	<u>2,904,817</u>	<u>3,146,668</u>	<u>2,603,926</u>	<u>2,616,576</u>
Net cash from operations	<u>1,010,736</u>	<u>1,320,662</u>	<u>770,048</u>	<u>1,232,527</u>	<u>556,399</u>
Cash from Investments					
Proceeds from investments sold, matured or repaid:					
Bonds	733,056	895,055	155,503	0	0
Stocks	950,886	1,650,909	5,066,653	497,272	1,606,041
Other invested assets	0	0	200,000	0	0
Total investment proceeds	<u>1,683,942</u>	<u>2,545,964</u>	<u>5,422,156</u>	<u>497,272</u>	<u>1,606,041</u>
Cost of investments acquired (long-term only):					
Bonds	915,623	819,689	2,416,167	0	0
Stocks	1,023,984	3,193,664	3,394,629	1,408,756	2,188,196
Total investments acquired	<u>1,939,607</u>	<u>4,013,353</u>	<u>5,810,796</u>	<u>1,408,756</u>	<u>2,188,196</u>
Net cash from investments	<u>(255,665)</u>	<u>(1,467,389)</u>	<u>(388,640)</u>	<u>(911,484)</u>	<u>(582,155)</u>
Cash from Financing and Miscellaneous Services					
Other cash provided (applied):					
Other cash provided or (applied)	(23,836)	(17,704)	(26,935)	5,488	2,993
Net cash from financing and miscellaneous sources	<u>(23,836)</u>	<u>(17,704)</u>	<u>(26,935)</u>	<u>5,488</u>	<u>2,993</u>
Reconciliation of cash and short-term investments:					
Net change in cash and short-term investments	731,235	(164,431)	354,473	326,531	(22,763)
Cash and short-term investments:					
Beginning of the year	1,302,751	1,467,182	1,112,709	786,178	808,941
End of the year	<u>\$ 2,033,986</u>	<u>\$ 1,302,751</u>	<u>\$ 1,467,182</u>	<u>\$ 1,112,709</u>	<u>\$ 786,178</u>

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SUMMARY OF EXAMINATION CHANGES

There were no examination changes to the preceding financial statements as filed with regulatory authorities over the review period.

NOTES TO FINANCIAL STATEMENTS

ASSETS

INVESTMENTS

As of December 31, 2021, the Company's invested assets were distributed as follows:

	Amount	Percentage
Bonds	\$ 2,522,170	21.9 %
Common stocks	6,408,409	55.5 %
Real estate	580,382	5.0 %
Cash	2,033,986	17.6 %
Totals	<u>\$ 11,544,947</u>	<u>100.0 %</u>

The Company's bond portfolio had the following quality and maturity profiles:

NAIC Designation	Amount	Percentage
1 - highest quality	\$ 2,522,170	100.0 %
Totals	<u>\$ 2,522,170</u>	<u>100.0 %</u>

Years to Maturity	Amount	Percentage
1 year or less	\$ 170,317	6.8 %
2 to 5 years	1,752,143	69.5 %
6 to 10 years	599,710	23.8 %
Totals	<u>\$ 2,522,170</u>	<u>100.0 %</u>

The Company's investments consisted of the following as a percent of admitted assets as of December 31, 2021: Bonds (20.7%); common stock (52.7%); and cash, short-term investments and cash equivalents (16.7%). The total invested assets represent approximately 94.9% of admitted assets as of December 31, 2021.

The Company has a written investment policy as required by 40 P.S. § 653b(b). The investment policy is reviewed and approved on an annual basis by the Board of Directors. The Company was following its investment policy as of December 31, 2021.

The Company's custodial agreement with Wilmington Trust was in compliance with 31 Pa. Code §148.3.

LIABILITIES

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

The Company reported reserves in the amount of \$1,011,632 for losses and \$182,630 for loss adjustment expenses (“LAE”) on the December 31, 2021 Annual Statement.

For each year in the examination period, the appointed actuary, Kay Kufera, FCAS, MAAA, with Kufera Consulting, Inc. (“AA”), provided a Statement of Actuarial Opinion (“Opinion”) stating that the loss and LAE reserve amounts made a reasonable provision on the adequacy of its loss and LAE reserves as provided in the *NAIC Annual Statement Instructions – Property and Casualty*.

The Department used an internal actuarial specialist throughout the examination for reserving and pricing risks. The internal actuary assisted in identifying controls and performing substantive testing for reserving and pricing risks, where applicable.

Based on the procedures performed and the results obtained, the examination team obtained sufficient documentation to support the conclusion that the Company’s carried loss and LAE reserve amounts are reasonably stated as of December 31, 2021.

SUBSEQUENT EVENTS

The Department is monitoring the impact of the COVID-19 global pandemic. The Department recognizes that COVID-19 could have a significant financial and operational impact on all of its domestic insurers, including the Company. As such, the Department will continue to monitor and share information with the Company as appropriate related to COVID-19 developments.

RECOMMENDATIONS

PRIOR EXAMINATION

The prior examination report contained no recommendations.

CURRENT EXAMINATION

There are no recommendations being made as a result of the current examination.

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CONCLUSION

As a result of this examination, the financial condition of Centre County Mutual Fire Insurance Company, as of December 31, 2021, was determined to be as follows:

	Amount	Percentage
Admitted assets	\$ 12,161,852	100.0 %
Liabilities	\$ 4,401,551	36.2 %
Surplus as regards policyholders	7,760,301	63.8 %
Total liabilities and surplus	\$ 12,161,852	100.0 %

Since the previous examination, made as of December 31, 2016, the Company's assets increased by \$6,047,860, its liabilities increased by \$1,834,948 and its surplus increased by \$4,212,912.

This examination was conducted by David Smith, CISA, CPDSE, AES, CFE, Kevin Clark and Jordan R. Fulton, CFE, with the latter in charge.

Respectfully submitted,

Matthew Milford

Matthew C. Milford, CFE
Director
Bureau of Financial Examinations

William M. Fedak

William M. Fedak, CFE
Examination Manager

Jordan Fulton

Jordan R. Fulton, CFE
Examiner-in-Charge

The CFE designation has been conferred by an organization not affiliated with the federal or any state government. However the CFE designation is the only designation recognized by the NAIC for the purposes of directing statutory Association examinations of insurance companies.