



**Examination Report
Of**

**Florida Farm Bureau General Insurance Company
Gainesville, Florida**

NAIC Company Code: 21817

**as of
December 31, 2020**

**By
The Florida Office of Insurance Regulation**

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June 20, 2022

David Altmaier
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 690-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2020, of the financial condition and corporate affairs of

Florida Farm Bureau General Insurance Company

5700 SW 34th Street
Gainesville, Florida 32608

hereinafter referred to as “the Company.” Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2016 through December 31, 2020, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on August 8, 2021. The fieldwork concluded as of June 20, 2022. The Company’s last full scope exam by representatives of the Office covered the period of January 1, 2014 through December 31, 2015.

The examination was a multi-state/coordinated holding company group examination conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed 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. The lead state for this exam was Mississippi, and states that participated in this exam are as follows: Arkansas and Louisiana.

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 the NAIC Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes information obtained from the examination of the records, accounts, files, and documents of or relative to the Company and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

There were no significant findings as a result of this examination.

Previous Examination Findings

There were no significant findings in the previous examination.

COMPANY HISTORY

General

The Company was incorporated in Florida on January 6, 1993 and commenced business on April 1, 1993.

Dividends

The Company did not declare or pay any dividends during the period under examination.

Capital Stock and Capital Contributions

As of December 31, 2020, the Company's capitalization was as follows:

Number of authorized common capital shares	3,000,000
Number of shares issued and outstanding	3,000,000
Total common capital stock	\$3,000,000
Par value per share	\$1.00

The Company is one hundred percent (100%) owned by Florida Farm Bureau Casualty Insurance Company (Florida Casualty), which in turn is one hundred percent (100%) owned by Southern Farm Bureau Casualty Insurance Company (Southern Casualty), a Mississippi domiciled corporation. Southern Casualty is one hundred percent (100%) owned by Southern Casualty Holding Company (SCHC). SCHC is owned by six (6) Farm Bureau investment/holding corporations, which are owned/controlled by the Farm Bureau federations/organizations in the States of Arkansas, Colorado, Florida, Louisiana, Mississippi, and South Carolina.

Surplus Notes

The Company did not have or issue any surplus notes during the period under examination.

Acquisitions, Mergers, Disposals, Dissolutions

The Company had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

MANAGEMENT AND CONTROL

Corporate Governance

The annual shareholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2020, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Ronald Roy Anderson (1)	Ethel, Louisiana	Farmer and President, Louisiana Farm Bureau Federation
John Lawrence Hoblick (2)(a)	De Leon Springs, Florida	Farmer and President, Florida Farm Bureau Federation
David Michael McCormick	Union Church, Mississippi	Farmer and President, Mississippi Farm Bureau Federation
Harry Legare Ott, Jr.	Cayce, South Carolina	Farmer and President, South Carolina Farm Bureau
Donald James Shawcroft	Alamosa, Colorado	Farmer and President, Colorado Farm Bureau
Richard Edward Hillman	Carlisle, Arkansas	Farmer and President, Arkansas Farm Bureau Federation

(a) Resigned on February 12, 2022 and was replaced by Jeb Smith.

(1) Chairman

(2) Vice Chairman

In accordance with the Company's Bylaws, the Board appointed the following Senior Officers:

Senior Officers		
Name	City, State	Title
Steven Clay Murray	Gainesville, Florida	President, Chief Executive Officer
Jeffrey Joseph Ayoub	Gainesville, Florida	Vice President – Information Technology
Stephen Thomas Grabow	Gainesville, Florida	Vice President – Claims
John Wilbur Holdsworth, Jr.	Gainesville, Florida	Vice President – Sales
Kimberly Payne Blackburn	Citra, Florida	Vice President – Products & Agency/Brokerage
Mark Lane Thomas	Alachua, Florida	Vice President – Underwriting & Training
Lydia Catherine Warren	Florence, Mississippi	Secretary

The Company's Board appointed internal committees. The following were the principal internal board committees and their members as of December 31, 2020. The first person listed for each committee is the chairman.

The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

Audit Committee		
John Lawrence Hoblick	Richard Edward Hillman	Harry Legare Ott, Jr.
Ronald Roy Anderson	David Michael McCormick	Donald James Shawcroft

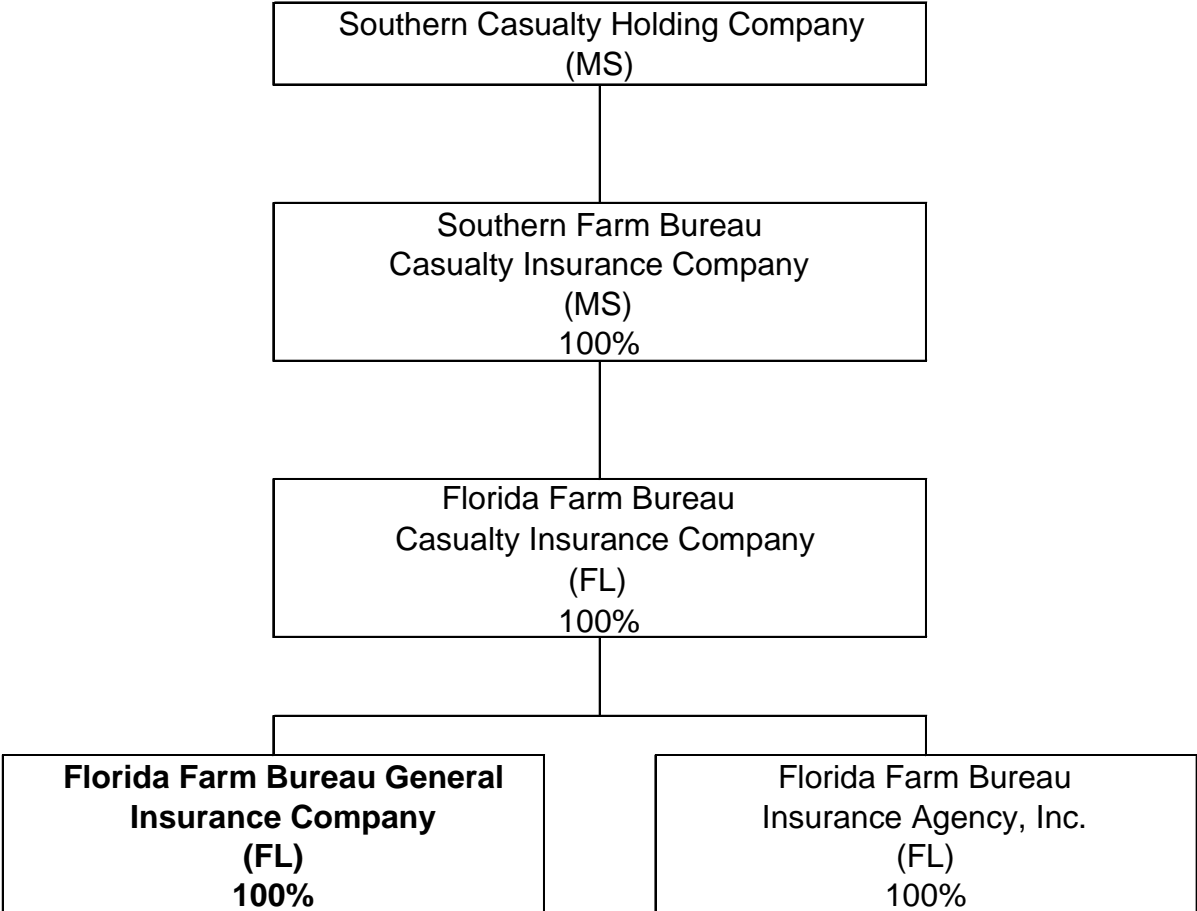
Investment Committee		
Name	City, State	Title, Company Name
Ronald Roy Anderson	Ethel, Louisiana	Farmer and President, Louisiana Farm Bureau Federation
Thomas Herndon Arthur	Brandon, Mississippi	Vice President – Investments Southern Farm Bureau Casualty Insurance Company
Max Turner Courtney	Brandon, Mississippi	Sr. Vice President – CFO Southern Farm Bureau Casualty Insurance Company
John Lawrence Hoblick	De Leon Springs, Florida	Farmer and President, Florida Farm Bureau Federation

Robert Duff Wallace	Madison, Mississippi	President – CEO Southern Farm Bureau Casualty Insurance Company
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Holding Company System

A simplified organizational chart as of December 31, 2020, reflecting the holding company system, is shown below. Schedule Y of the Company’s 2020 annual statement provided a list of all related companies of the holding company group.

**Florida Farm Bureau General Insurance Company
Simplified Organizational Chart
December 31, 2020**



The following agreements were in effect between the Company and its affiliates:

Multi-Line Reinsurance Agreement

Effective January 1, 2004, the Company entered into a Multi-Line Reinsurance Agreement with its parent, Florida Casualty. Premiums written net of any premiums ceded by the Company to the Florida Hurricane Catastrophe Fund (FHCF) were ceded to Florida Casualty. The Company also agreed to cede to Florida Casualty all assessments by virtue of participation in any pool arrangement, joint underwriting association, guaranty fund or similar arrangements.

Tax Allocation Agreement

The Company, along with its parent, Southern Casualty, and affiliates file a consolidated federal income tax return. The method of allocation among companies was made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated return. Intercompany tax balances were settled annually in the subsequent year. Effective July 1, 2019, the Tax Allocation Agreement was amended and restated.

Joint Expense Allocation Agreement

Effective February 13, 2009, the Company and Florida Casualty entered into a Joint Expense Allocation Agreement. Joint expenses allocated under this agreement are those expenses that are for the mutual benefit of both Florida Casualty and Florida General. All joint overhead expenses incurred in operating the companies are allocated pursuant to the formula prescribed in one of the following four categories: loss adjustment expense, information system expense, other routing/reoccurring joint expenses and other expenses.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Gainesville, Florida.

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance only in the State of Florida.

The Company began insurance transactions in Florida on February 16, 1993, and is currently authorized for the following lines of business as of December 31, 2020:

• Fire	• Glass
• Allied Lines	• Commercial Automobile Liability
• Homeowners Multiple Peril	• Private Passenger Automobile Liability
• Commercial Multiple Peril	• Other Liability
• Mobile Home Multiple Peril	• Commercial Automobile Physical Damage
• Inland Marine	• Private Passenger Automobile Physical Damage
• Burglary and Theft	• Fidelity

REINSURANCE

The reinsurance agreements reviewed complied with NAIC standards with respect to the standard insolvency clause, arbitration clause, intermediary clause, transfer of risk, reporting and settlement information deadlines.

Reinsurance Assumed

The Company did not assume any reinsurance during the period of this examination.

Reinsurance Ceded

As of December 31, 2020, the Company entered into a Multi-Line Reinsurance Agreement with its parent, Florida Farm Bureau Casualty Insurance Company (Florida Casualty). The Company ceded to Florida Casualty all premiums written net of any premiums ceded by the Company to the Florida Hurricane Catastrophe Fund (FHCF). The Company also agreed to cede to Florida Casualty all assessments by virtue of participation in any pool arrangement, joint underwriting association, guaranty fund or similar arrangements.

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds; statutory Statement of Income; and the statutory Analysis of Changes in Surplus for the year ended December 31, 2020. The financial statements are based on the statutory financial statements filed by the Company with the Florida Office of Insurance Regulation and present the financial condition of the Company for the period ending December 31, 2020. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

Florida Farm Bureau General Insurance Company
Assets
December 31, 2020

	Per Company
Bonds	\$10,431,304
Cash and short-term investments	1,024,038
Subtotals, cash and invested assets	\$11,455,342
Investment income due and accrued	81,415
Reinsurance	
Amounts recoverable from reinsurers	235,742
Totals	\$11,772,499

Florida Farm Bureau General Insurance Company
Liabilities, Surplus and Other Funds
December 31, 2020

	Per Company
Current federal and foreign income taxes	\$4,874
Payable to parent, subsidiaries, and affiliates	235,742
Total liabilities	\$240,616
Common capital stock	3,000,000
Gross paid-in and contributed surplus	3,200,000
Unassigned funds (surplus)	5,331,883
Surplus as regards policyholders	\$11,531,883
Totals	\$11,772,499

Florida Farm Bureau General Insurance Company
Statement of Income
December 31, 2020

	Per Company
Underwriting Income	
Premiums earned	\$0
Deductions	
Total Underwriting deductions	7,257
Net underwriting gain (loss)	\$(7,257)
Investment Income	
Net investment income earned	\$272,808
Net realized capital gains or (losses)	1,111
Net investment gain or (loss)	\$273,919
Other Income	
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	266,662
Federal & foreign income taxes incurred	31,878
Net Income	\$234,784

	Per Company
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	\$11,297,100
Net Income	234,784
Change in surplus as regards policyholders for the year	234,784
Surplus as regards policyholders, December 31, current year	\$11,531,884

**Florida Farm Bureau General Insurance Company
Reconciliation of Capital and Surplus
December 31, 2020**

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2015, per Company			\$9,732,454
	Increase	Decrease	
Net Income (loss)	\$1,599,430		
Change in net deferred income tax		\$170,370	
Change in non-admitted assets	170,370		
Change in paid in surplus	200,000		
Net increase (or decrease)			\$1,799,430
Surplus at December 31, 2020, per Company			\$11,531,884

No adjustments were made to surplus as regards policyholders as a result of the examination.

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$11,531,884, exceeded the minimum of \$4,000,000 required by Section 624.408, Florida Statutes.

SUBSEQUENT EVENTS

FFBCIC infused a cash sum of \$3,500,000 in additional capital to the contributed surplus of its wholly owned subsidiary, FFBGIC, on June 8, 2021. The source of the funds used in this transaction came from the unencumbered surplus of FFBCIC. The purpose of this capital infusion was to increase FFBGIC's statutory surplus to comply with the July 1, 2021, surplus requirement contained in Section 624.408(1)(g), Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of Florida Farm Bureau General Insurance Company as of December 31, 2020, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following also participated in the examination

Rachelle Gowins	Examination Manager	Examination Resources, LLC
Sigurd Proudfit	Assisting Examiner	Examination Resources, LLC
Don Catmull	Assisting Examiner	Examination Resources, LLC
Jake Powell	Actuarial Examiner	Baker Tilly US, LLP
Dave Wolfe	Actuarial Supervisor	Baker Tilly US, LLP

Respectfully submitted,



Joanne Campanelli, CFE
Senior Insurance Examiner
Examination Resources, LLC
Representing the Florida Office of Insurance Regulation



Daniel W. Applegarth, CFE, CPA, PIR
Chief Financial Examiner
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