KPMG

GRINNELL MUTUAL GROUP

Combined Statutory Financial Statements and Supplemental Information

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

EXHIBIT
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December 31, 2023 and 2022

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KPMG LLP
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Des Moines, IA 50309

Independent Auditors' Report

The Board of Directors
Grinnell Mutual Group:

Opinions

We have audited the combined financial statements of Grinnell Mutual Group and its subsidiaries (the Company), which comprise the combined statutory statements of admitted assets, liabilities and capital and surplus as of December 31, 2023 and 2022, and the related combined statutory statements of operations and changes in capital and surplus and cash flow for the years then ended, and the related notes to the combined financial statements.

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the admitted assets, liabilities and capital and surplus of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flow for the years then ended in accordance with accounting practices prescribed or permitted by the Iowa Insurance Division described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the combined financial statements do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of the Company as of December 31, 2023 and 2022, or the results of its operations or its cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the combined financial statements, the combined financial statements are prepared by the Company using accounting practices prescribed or permitted by the Iowa Insurance Division, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the combined financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles. The effects on the combined financial statements of the variances between the statutory accounting practices described in Note 1 and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting practices prescribed or permitted by the Iowa Insurance Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the combined financial statements are issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information included in the combining statutory financial statements as of and for the years ended December 31, 2023 and 2022, schedule of investment risks interrogatories, schedule of reinsurance interrogatories, and summary investment schedule is presented for purposes of additional analysis and is not a required part of the combined financial statements but is supplementary information required by the Iowa Insurance Division. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

KPMG LLP

Des Moines, Iowa
May 14, 2024

GRINNELL MUTUAL GROUP

Combined Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

December 31, 2023 and 2022

Admitted Assets		**2023**	**2022**
Cash and investments:			
Bonds	$	967,491,798	1,013,296,680
Common stocks		126,226,023	144,886,415
Real estate		12,380,253	13,418,674
Other invested assets		14,917,939	17,016,049
Cash, cash equivalents and short-term investments		30,233,377	(15,935,204)
Total cash and investments		1,151,249,390	1,172,682,614
Accrued investment income		12,187,305	12,090,224
Premiums receivable		146,048,762	139,476,874
Reinsurance recoverable on loss payments		26,230,891	19,865,679
Due from affiliates		70,645	84,804
Federal income tax recoverable		722,174	4,322,331
Deferred income tax		40,238	29,665,493
Data processing equipment net, less accumulated depreciation $6,357,648 and $11,500,771, respectively		686,675	1,071,123
Other		11,450,106	9,330,334
Total assets	$	1,348,686,186	1,388,589,476

(Continued)

GRINNELL MUTUAL GROUP

Combined Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

December 31, 2023 and 2022

Liabilities and Capital and Surplus	**2023**	**2022**
Liabilities:		
Losses	$ 435,684,150	298,221,321
Loss adjustment expenses	69,525,904	80,942,550
Unearned premiums	249,978,174	249,066,311
Advanced premium	6,131,950	5,524,904
Policyholder dividends	691,435	749,976
Funds held under reinsurance treaties	687,048	1,413,624
Accrued expenses and accounts payable	29,163,992	29,848,236
Taxes, other than income taxes	1,062,444	495,352
Ceded reinsurance premiums payable	9,274,615	12,082,525
Outstanding drafts	—	32,431
Federal income tax	52,220	9,000
Borrowed money	—	23,323,610
Deferred compensation	13,080,749	11,586,813
Provision for reinsurance	58,422	542,247
Total liabilities	815,391,103	713,838,900
Capital and surplus:		
Special surplus funds	1,000,000	1,000,000
Unassigned surplus	532,295,083	673,750,576
Total capital and surplus	533,295,083	674,750,576
Total liabilities and capital and surplus	$ 1,348,686,186	1,388,589,476

See accompanying combined notes to statutory financial statements

GRINNELL MUTUAL GROUP

Combined Statutory Statements of Operations and Changes in Capital and Surplus

Years ended December 31, 2023 and 2022

		2023	2022
Premiums earned	$	824,442,553	711,129,214
Losses incurred		(738,720,716)	(570,661,200)
Loss adjustment expenses incurred		(48,767,238)	(75,777,186)
Underwriting expenses incurred		(211,497,439)	(192,255,979)
Underwriting gain (loss)		(174,542,840)	(127,565,151)
Investment gains, net of federal income tax expense		50,866,497	49,488,735
Other income (loss), net		(109,983)	(501,971)
Income (loss) before dividends to policyholders and federal income tax		(123,786,326)	(78,578,387)
Dividends to policyholders		(606,696)	(565,520)
Income (loss) before federal income tax expense		(124,393,022)	(79,143,907)
Federal income tax expense (benefit)		3,257	(2,361,776)
Net income (loss)		(124,396,279)	(76,782,131)
Capital and surplus:			
Change in net unrealized gains (losses) on investments, net of tax		6,349,723	(34,946,207)
Change in net deferred income tax expense (benefit)		26,516,160	15,981,218
Change in nonadmitted assets		(50,988,956)	(4,789,929)
Change in provision for reinsurance		483,825	(511,976)
Change in pension plan liability, net of tax		580,034	4,299,029
Change in capital and surplus for year		(141,455,493)	(96,749,996)
Capital and surplus at beginning of year		674,750,576	771,500,572
Total capital and surplus at December 31	$	533,295,083	674,750,576

See accompanying combined notes to statutory financial statements

GRINNELL MUTUAL GROUP

Combined Statutory Statements of Cash Flow

Years ended December 31, 2023 and 2022

		2023	2022
Operating activities:			
Premiums collected net of reinsurance	$	816,560,232	720,575,979
Net investment income		50,433,129	50,679,926
Miscellaneous income received (expenses paid)		(109,983)	(501,971)
Losses and loss related payments, net of reinsurance		(607,623,099)	(625,873,851)
Commissions, expense paid, and aggregate write-ins for deductions		(271,728,871)	(259,189,156)
Dividends paid to policyholders		(665,237)	(565,544)
Federal income taxes recovered (paid)		2,629,931	6,036,496
Net cash from (used in) operations activities		(10,503,898)	(108,838,121)
Investing activities:			
Proceeds from investments sold, matured, or repaid:			
Bonds		328,815,068	348,602,550
Common stocks		57,327,772	14,650,977
Other invested assets		652	5,610,604
Total investment proceeds		386,143,492	368,864,131
Cost of investments acquired:			
Bonds		(297,049,217)	(303,265,266)
Common stocks		(15,092,022)	(16,349,462)
Real estate		—	(7,209)
Other invested assets		(830,710)	(6,793,581)
Total cost of investments acquired		(312,971,949)	(326,415,518)
Net cash from investment activities		73,171,543	42,448,613
Financing and miscellaneous activities:			
Borrowed money		(23,323,610)	23,323,610
Other cash applied		6,824,546	1,363,526
Net cash from (used in) financing activities		(16,499,064)	24,687,136
Net change in cash, cash equivalents and short-term investments		46,168,581	(41,702,372)
Cash, cash equivalents and short-term investments at beginning of year		(15,935,204)	25,767,168
Cash, cash equivalents and short-term investments at end of year	$	30,233,377	(15,935,204)

See accompanying combined notes to statutory financial statements

(1) Nature of Operations and Significant Accounting Policies

(a) Nature of Operations

Grinnell Mutual Reinsurance Company (GMRC) is incorporated as a mutual property and casualty insurer in Iowa and underwrites a variety of personal and commercial products marketed through independent agents in twelve states. GMRC's reinsurance business assumed from smaller mutual insurers comprises approximately 28% of premiums in 2023 and 24% in 2022. The business written and assumed by GMRC is exposed to damage from severe storms and earthquakes. Some of the reinsurance business assumed is subject to unlimited coverage. GMRC has obtained ceded reinsurance coverage in amounts less than its total exposure.

GMRC's wholly owned subsidiaries include: Grinnell Select Insurance Company (GSIC) (property and casualty insurer), Grinnell Compass, Inc. (GCI) (property and casualty insurer), Grinnell Specialty Agency, LLC (insurance agency), Grinnell Advisory Company, LLC (policy forms and rate filing), and Farmutual Insurance Services, LLC (other insurance services). The accompanying combined statutory financial statements include GMRC, GSIC, and GCI (collectively, herein referred to as the Company). All significant intercompany transactions and balances have been eliminated in preparation of the combined statutory financial statements. These eliminations include, but are not limited to, the carrying values and the capital and surplus accounts from the combined statutory statements of admitted assets, liabilities, and capital and surplus, transactions related to intercompany reinsurance and unrealized capital gains and losses due to equity investment in combined subsidiaries.

Management is required to make estimates and assumptions in the preparation of the accompanying combined statutory financial statements and these notes. Such estimates and assumptions could change as more information becomes known, which could impact the amounts reported herein. The most significant of these estimates relates to the determination of the reserves for loss and related loss adjustment expenses, the estimation of the fair value of investments, and the admissibility of deferred tax assets.

(b) Basis of Presentation

The Company has requested and was granted approval from the Iowa Insurance Division to file combined audited statutory financial statements for the years ended December 31, 2023 and 2022. The accompanying combined statutory financial statements are presented in conformity with statutory accounting practices (SAP) prescribed or permitted by the Iowa Insurance Division. GMRC has not adopted any permitted or prescribed practices other than the NAIC Accounting Practices and Procedures Manual. SAP varies from U.S. generally accepted accounting principles (GAAP) as follows:

- Investments in bonds are reported at values prescribed by the NAIC, generally amortized cost. Under GAAP, bonds held-to-maturity are stated at cost; bonds available-for-sale are stated at fair value with changes recorded in accumulated other comprehensive income (loss) in the balance sheet if classified as available-for-sale.
- Under NAIC SAP for other-than-temporary impairment (OTTI) on loan-backed and structured securities, if the Company determines that they intend to sell a security or no longer have the ability and intent to retain the investment for a period of time sufficient to recover the amortized cost, that security shall be written down to fair value through operations. For statutory purposes, if the Company subsequently changes their assertion, and now believes they do not intend to sell the

security and have the ability and intent to retain the investment for a period of time sufficient to recover the amortized cost, that security will continue to be carried at the lower of cost or market with any future decreases in fair value charged through operations until the security is disposed. For GAAP purposes, once the Company alters their assertion, that security's amortized cost basis will not be decreased for future reductions in fair value unless an other-than-temporary impairment is determined to have occurred.

- For NAIC SAP, other-than-temporary impairments related to debt securities (non loan-backed and structured securities) are reported in earnings. For GAAP, impairments are bifurcated between credit and non-credit with only the credit component charged to earnings.
- Investments in subsidiaries are reported at net equity with changes in operations credited or charged directly to surplus rather than through income in the statement of operations. See also discussion of nonadmitted assets below.
- Unrealized gains and losses from common stocks are credited or charged directly to surplus rather than through income in the statement of operations.
- Real estate owned and occupied by the Company is reported as an investment rather than as operating property. Investment income and operating expenses include amounts for the Company's occupancy of its own property rather than not reporting such.
- Certain assets designated as "nonadmitted", principally unaudited subsidiaries, past-due agents' balances, furniture and equipment, data processing software, prepaid expenses, and deferred income tax assets, are excluded from the combined statutory statement of admitted assets, liabilities and capital and surplus and are charged directly to surplus rather than being reported as assets.
- The liabilities for losses, loss adjustment expenses, and unearned premiums are reported net of related amounts ceded to reinsurers rather than gross with separate asset balances for reinsurance recoverable and prepaid reinsurance premiums.
- A liability is reported with a charge directly to surplus for unsecured amounts ceded to reinsurers unauthorized by license to assume such business and certain overdue reinsurance balances rather than reporting an uncollectible allowance with a charge to operations.
- A liability for guaranty fund assessments is reported when an insolvency occurs rather than when the premiums on which future assessments will be based are earned.
- Deferred income tax assets are generally limited to amounts realizable from loss carrybacks within three years from reversal of timing differences of remaining amounts (limited to 15% of adjusted capital and surplus), and from amounts offsetting deferred income tax liabilities, with the excess being nonadmitted. The change in deferred income tax from operating items is reported directly to surplus rather than in the results of operations.

- Policy acquisition costs, such as commissions, premium taxes, and other costs incurred in connection with acquiring new business, are charged to current operations as incurred. Under GAAP, certain acquisition costs are capitalized and charged to operations as the revenues are recognized.
  - Ceding commissions allowed by reinsurers on business ceded are reported as income when received rather than earned as the underlying ceded premiums are earned over the term of the related reinsurance agreement.
  - The combined statutory statements of cash flow differ in certain respects from the presentation required by GAAP, including the presentation of the changes in cash, cash equivalents and short-term investments instead of cash and cash equivalents and a reconciliation of net income to net cash provided by operating activities is not provided. Short-term investments include securities with original maturities of one year or less. For GAAP, cash equivalents include securities with original maturities of three months or less.
  - Negative cash balances are reported as a contra asset under SAP. For GAAP, the negative cash balance would be classified as a liability.
  - The combined statutory financial statements do not include a statement of comprehensive income, which is required under GAAP.
  - Realized investment gains and losses are reported net of related income taxes. Under GAAP, realized gains and losses are reported gross of tax.
  - For GAAP purposes, all securities, purchased or retained, that represent beneficial interests in securitized assets (e.g., CMO, CBO, CDO, CLO, MBS, and ABS securities), other than high-credit quality securities, are adjusted using the prospective method when there is a change in estimated future cash flows. Under GAAP, a fixed maturity investment with fair value below its amortized cost, that is not intended to be sold, is evaluated to determine whether the decline in fair value has results from a current expected credit loss (CECL) or other factors such as market interest rates. CECL equals the difference between amortized cost and recovery value of the security, and is limited by the amount that fair value is less than amortized cost. CECL is recorded as an allowance, with the initial recognition and subsequent changes recognized in earnings as a realized loss. Amounts determined uncollectible are written off as a reduction to the amortized cost and removed from the allowance. Any remaining non-credit related unrealized loss is recorded in accumulated other comprehensive income (AOCI).

The effects of these variances from GAAP on the accompanying combined statutory financial statements have not been determined, but are presumed to be material.

(c) Investments

Investments are reported as follows:

- Bonds are stated at amortized cost (except for non-investment grade bonds NAIC rated 3-6, which are stated at the lower of amortized cost or fair value). For loan-backed bonds, anticipated prepayment assumptions, provided by an outside organization, are used to determine the yield at purchase and the reported value, using the retrospective adjustment method.

- Common stocks are stated at fair value determined by the Securities Valuation Office (SVO) or public quotations.
- Subsidiaries are stated at underlying statutory basis equity. Nonaudited subsidiaries are nonadmitted. Dividends are included in net investment gains, net of federal income taxes.
- Real estate occupied by the Company is stated at cost for land; at depreciated cost for other, with depreciation calculated using the straight-line method over lives varying from 1 to 39 years.
- Cash, cash equivalents and short-term investments are stated at cost, amortized cost or fair value. Short-term investments are those investments with maturities of less than one year at the date of acquisition. Money market mutual funds are valued using net asset value which approximates fair value.
- Realized gains and losses are determined using the specific identification method and reported as a component of investment gains, net of federal income taxes. Realized losses are recognized for investments with a decline in value that is considered to be an OTTI. If the Company intends to sell a security with an interest-related decline below amortized cost or lacks the intent or ability to hold any security until it recovers to its amortized cost basis, the security is written down to its fair value. For loan-backed and structured securities, if the Company does not expect to recover the entire amortized cost basis of a security, an OTTI shall be recognized as a realized loss equal to the difference between the security's amortized cost basis and the present value of cash flows expected to be collected, discounted at the effective interest rates as outlined in the SAP guidance. Bonds, other than loan-backed and structured securities, and common stock that are determined to be OTTI are written down to fair value. Realized gains and losses are reported net of current income tax. Unrealized gains and losses on common stocks and bonds rated NAIC 3-6 are credited and charged directly to surplus, net of deferred income tax.
- Investment income is presented as a component of net investment gains. Interest is recognized on an accrual basis, and dividends are recorded as earned at the ex-dividend date. Interest income on mortgage-backed and asset-backed securities is determined using the scientific method including anticipated prepayments.

(d) Data Processing Equipment

Data processing equipment is reported at depreciated cost, with depreciation calculated using the straight-line method over the lesser of its useful life or three years.

(e) Nonadmitted Furniture and Equipment and Software Development Costs

Nonadmitted furniture and equipment are depreciated using the straight-line method over one to five years. Software development costs are amortized over three years from date of implementation.

(f) Pension

The Company sponsors an employee benefit plan. The plan costs and plan liabilities are determined in accordance with the requirements of Statements of Statutory Accounting Principles (SSAP) No. 102, *Pensions*, which require recognition of employee benefit costs over the period a participant renders service to the Company and recognition of a liability for unfunded costs. The net periodic expenses of the benefit plan is included in underwriting expenses incurred in the accompanying combined statutory statements of operations and if in a liability position the accrued liabilities are included in pension plan liability in the accompanying combined statutory statements of admitted assets, liabilities and capital and surplus. If the fair value of plan assets exceeds the projected benefit obligation, the Company recognizes in its combined statutory statements of admitted assets, liabilities and capital and surplus an asset that equals the overfunded projected benefit obligation. This prepaid asset resulting from the excess of the fair value of plan assets over the projected benefit obligation shall be nonadmitted.

(g) Premiums

Premiums are earned over the terms of the policies. The liability for unearned premiums is calculated using the daily pro-rata method.

(h) Liabilities for Losses and Loss Adjustment Expenses

Liabilities for losses and loss adjustment expenses represent the estimated ultimate cost of all reported and unreported claims incurred, net of salvage and subrogation recoveries. The liabilities for losses and loss adjustment expenses are estimated using individual case valuations and actuarial analyses and are not discounted. Although considerable variability is inherent in such estimates, management believes that these liabilities are adequate. The estimates are continually reviewed and adjusted as necessary in current operations.

(i) Funds Held Under Reinsurance Treaties

Funds held under reinsurance treaties represent contractual payments due to the reinsurer that GMRC has retained to secure obligations of the reinsurer. These amounts are recorded as liabilities.

(j) Reinsurance

Certain business is assumed from or ceded to various insurance companies and associations under various reinsurance agreements. The ceding agreements principally provide increased capacity to write larger risks, stabilize operating results, and protect against natural catastrophes. Significant assuming and ceding reinsurance agreements include individual and aggregate excess-of-loss and pro-rata reinsurance. Reinsurance premiums, losses, and loss adjustment expenses are accounted for in accordance with the provisions of the underlying agreements and consistent with the original policies. Premiums, losses, and loss adjustment expenses, including the liabilities for losses, loss adjustment expenses, and unearned premiums, are reported net of reinsured amounts.

(k) Federal Income Tax

GMRC and its subsidiaries file a consolidated federal income tax return. Under a written agreement, GMRC collects from or refunds to the subsidiaries the amount of tax or benefit determined as if the subsidiaries filed separate returns.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Gross deferred tax assets and liabilities are measured using enacted tax rates and are considered for a valuation allowance and for admitted asset status according to the admissibility tests. Changes in deferred tax assets and deferred tax liabilities, including changes attributable to changes in tax rates, are recognized through unassigned surplus.

(l) Risk and Uncertainties

Certain risk and uncertainties are inherent to the Company's day-to-day operations and to the process of preparing its combined statutory financial statements. The more significant of those risks and uncertainties are presented throughout the notes to the combined statutory financial statements.

- External Factors – The Company is highly regulated by the state in which it is domiciled. Such regulations, among other things, may limit the amount of rate increases on policies, impose restriction on the amount and types of investments, and establish minimum surplus requirements. The impact of future regulatory initiatives could subject the Company to substantial additional regulation.
- Risk-Based Capital – RBC is a method developed by the NAIC to measure the minimum amount of capital appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The formulas for determining the amount of RBC specify various weighting factors that are applied to financial balances or various levels of activity based on the perceived degree of risk of such activities. The adequacy of a company's actual capital is measured by the RBC results as determined by the formulas. Companies below minimum RBC requirements are classified within certain levels, each of which requires specified corrective action. As of December 31, 2023 and 2022, the Company exceeded minimum RBC requirements for all RBC action levels.

(2) Investments

Bonds and cash balances reported of $6,750,008 and $6,422,194 at December 31, 2023 and 2022, respectively, are on deposit with a custodial bank to satisfy regulatory requirements for the protection of policyholders.

The following table represents the investments in bonds:

		Statement amount	Gross unrealized gains	Gross unrealized losses	Fair value
At December 31, 2023:					
U.S. government obligations	$	—	—	—	—
States, territories and possessions general obligations		—	—	—	—
Political subdivisions of states territories and political possessions and subdivisions general obligations		39,065,242	50,195	586,172	38,529,265
Revenue and assessment		74,330,986	105,345	1,249,008	73,187,323
Corporate securities		839,829,265	11,412,979	55,886,597	795,355,647
Asset backed securities		905,519	—	30,873	874,646
Commercial mortgage-backed securities		4,194,396	—	70,000	4,124,396
Mortgage-backed securities		9,166,390	2,896	714,935	8,454,351
Total bonds	$	967,491,798	11,571,415	58,537,585	920,525,628
At December 31, 2022:					
U.S. government obligations	$	—	—	—	—
States, territories and possessions general obligations		3,245,619	19,824	4,923	3,260,520
Political subdivisions of states territories and political possessions and subdivisions general obligations		64,096,965	109,826	2,115,472	62,091,319
Revenue and assessment		118,441,114	446,911	3,451,339	115,436,686
Corporate securities		819,930,726	1,628,613	86,284,161	735,275,178
Asset backed securities		1,104,092	—	86,456	1,017,636
Commercial mortgage-backed securities		4,459,323	116,799	70,000	4,506,122
Mortgage-backed securities		2,018,841	4,004	43,963	1,978,882
Total bonds	$	1,013,296,680	2,325,977	92,056,314	923,566,343

Certain financial assets are measured at fair value on a nonrecurring basis, such as certain bonds valued at the lower of cost or fair value, or investments that are other-than-temporarily impaired during the reporting period and recorded at fair value on the combined statutory statements of admitted assets, liabilities and capital and surplus. The statement amount of these bonds at December 31, 2023 and 2022 is $1,561,711 and $237,606, respectively, less than the actual amortized cost due to such bonds being carried at fair value. The fair values of these securities are $7,579,882 and $1,013,149 at December 31, 2023 and 2022, respectively.

Realized gains and losses from bonds are as follows:

		2023	2022
Gains from sales	$	1,265,991	3,364,749
Gains from calls and other		545	21,410
Realized gains	$	1,266,536	3,386,159
Losses from sales	$	11,156,087	6,138,207
Losses from calls and other		3,149	3,310
Losses from other-than-temporary impairment in value		467,510	—
Realized losses	$	11,626,746	6,141,517
Proceeds from sales	$	327,193,618	345,177,092

The statement amount and fair value of bonds at December 31, 2023, by contractual maturity, are as follows. Expected maturities differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without prepayment penalties.

		Statement amount	Fair value
Years to maturity:			
Through one	$	5,506,105	5,438,032
After one through five		195,829,200	184,307,568
After five through ten		232,708,507	214,705,654
After ten		519,181,681	502,620,981
Total contractual maturities		953,225,493	907,072,235
Asset backed securities		905,519	874,646
Commercial mortgage-backed securities		4,194,396	4,124,396
Mortgage-backed securities		9,166,390	8,454,351
Total bonds	$	967,491,798	920,525,628

The cost and the fair value of investments in common stocks are as follows:

		Cost	Gross unrealized gains	Gross unrealized losses	Fair value
December 31, 2023	$	111,223,787	17,882,528	2,880,292	126,226,023
December 31, 2022	$	138,360,365	15,362,306	8,836,256	144,886,415

Components of investments in real estate at December 31, 2023 and 2022 are as follows:

		2023	2022
Primarily occupied by Company:			
Land	$	72,891	72,891
Building and improvements		33,530,477	33,530,477
Accumulated depreciation		(21,223,115)	(20,184,694)
Total real estate	$	12,380,253	13,418,674

Investments with unrealized losses are as follows:

		Time in a continuous loss position					
		Less than twelve months		Twelve months or more		Total	
		Fair value	Gross unrealized loss	Fair value	Gross unrealized loss	Fair value	Gross unrealized loss
At December 31, 2023:							
Bonds:							
US government obligations		—	—	—	—	—	—
States, territories and possessions general obligations		—	—	—	—	—	—
Political subdivisions of states territories and political possessions and subdivisions general obligations		—	—	30,398,934	586,172	30,398,934	586,172
Revenue and assessment				52,003,106	1,249,008	52,003,106	1,249,008
Corporate securities		61,768,169	2,741,951	485,525,082	53,144,646	547,293,251	55,886,597
Asset backed securities		—	—	458,106	30,873	458,106	30,873
Commercial mortgage-backed securities		—	—	3,930,000	70,000	3,930,000	70,000
Mortgage-backed securities		7,079,383	676,424	1,265,676	38,511	8,345,059	714,935
Total bonds	$	68,847,552	3,418,375	573,580,904	55,119,210	642,428,456	58,537,585
Common stocks	$	161,854	374	21,976,496	2,879,918	22,138,350	2,880,292

(Continued)

	Time in a continuous loss position					
	Less than twelve months		Twelve months or more		Total	
	Fair value	Gross unrealized loss	Fair value	Gross unrealized loss	Fair value	Gross unrealized loss
At December 31, 2022:						
Bonds:						
US government obligations	—	—	—	—	—	—
States, territories and possessions general obligations	1,039,090	4,923	—	—	1,039,090	4,923
Political subdivisions of states territories and political possessions and subdivisions general obligations	43,707,751	2,115,472	—	—	43,707,751	2,115,472
Revenue and assessment	86,866,516	3,451,339	—	—	86,866,516	3,451,339
Corporate securities	497,926,274	56,806,982	158,857,109	29,477,179	656,783,383	86,284,161
Asset backed securities	133,612	8,652	446,996	77,804	580,608	86,456
Commercial mortgage-backed securities	3,930,000	70,000	—	—	3,930,000	70,000
Mortgage-backed securities	1,725,024	42,089	95,084	1,874	1,820,108	43,963
Total bonds	$ 635,328,267	62,499,457	159,399,189	29,556,857	794,727,456	92,056,314
Common stocks	$ 57,894,735	7,279,927	6,204,991	1,556,329	64,099,726	8,836,256

Unrealized losses on bonds include 241 issuances from 212 issuers at December 31, 2023, and 310 issuances from 273 issuers at December 31, 2022. All bonds were rated as investment grade by the SVO, except for two bonds in December 31, 2023 and one bond in December 31, 2022 that were rated as below investment grade by the SVO. These unrealized losses primarily relate to changes in market interest rates or changes in credit spreads since acquisition.

Investments with unrealized losses are monitored to determine if the losses are other-than-temporary. Factors considered include: historical operating trends, business prospects, industry status, analyst ratings, size of loss, time period of loss, present value of cash flows, and the Company’s intent and ability to hold the investments. Management believes the issuers of the bond investments in an unrealized loss position will continue to make payments as scheduled. Management believes the common stocks held by the Company with an unrealized loss will recover to cost within a reasonable period of time (approximately 18 to 24 months). Management has the intent and ability to hold all investments and does not intend to sell bonds with interest related declines.

Categories of net investment gains are as follows:

		2023	2022
Income:			
Bonds	$	45,769,146	43,730,568
Common stocks		1,946,352	2,259,824
Real estate, primarily Company-owned self-rent		1,836,054	1,351,874
Cash, cash equivalents and short-term investments		1,014,716	128,649
Investment income		50,566,268	47,470,915
Expenses:			
Depreciation		(1,038,421)	(1,057,859)
Interest		(557,261)	(607,449)
Other		(1,833,514)	(1,785,110)
Investment expense		(3,429,196)	(3,450,418)
Net investment income		47,137,072	44,020,497
Realized gains:			
Bonds		1,266,536	3,386,159
Common stocks		15,105,050	9,883,894
Other		652	610,604
Realized losses:			
Bonds		(11,159,236)	(6,141,517)
Other-than-temporarily impaired bonds		(467,510)	—
Common stocks		(5,878)	(817,320)
Current income tax (expense) credit		(1,010,189)	(1,453,582)
Net realized (losses) gains		3,729,425	5,468,238
Net investment gains	$	50,866,497	49,488,735

(3) Fair Values of Financial Instruments

We disclose fair value information about financial instruments, whether or not recognized in the combined statutory statements of admitted assets, liabilities and capital and surplus. Fair value is defined as the amount at which an asset could be bought or sold in a current orderly transaction between willing parties. Where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Financial statement disclosure requirements exclude certain financial instruments and all nonfinancial instruments and do not require disclosures when estimates are cost prohibitive. Accordingly, the aggregate fair value amounts presented herein are limited by each of these factors and do not purport to represent the underlying value of the Company.

Fair values of financial instruments are estimated using methods and assumptions as follows:

Bonds: using values assigned by the SVO; or, when available, public quotations; or, for securities not actively traded, yield data and other factors related to securities with similar characteristics.

Common stocks: using public quotations or financial documentation from the issuer.

Other invested assets: using reported balances, which approximates fair value.

Cash, cash equivalents and short-term investments: using reported balances, which approximate fair value. Money market mutual funds are valued using net asset value.

The following sets forth a comparison of the statement values and fair values of our financial instruments:

	December 31			
	2023		2022	
	Statement value	Fair value	Statement value	Fair value
Admitted assets:				
Bonds	$ 967,491,798	920,525,628	1,013,296,680	923,566,343
Common stocks	126,226,023	126,226,023	144,886,415	144,886,415
Cash, cash equivalents and short-term investments	30,233,377	30,233,377	(15,935,204)	(15,935,204)
Other invested assets	14,917,939	14,917,939	17,016,049	17,016,049

The investments reported at fair value have been classified for disclosure purposes, into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in accessible active markets.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 – Prices or valuation techniques that require significant unobservable inputs that may reflect the Company's own assumptions about the assumptions that market participants would use.

Valuation of our financial instruments at December 31, 2023:

	Fair value	Admitted assets	Level 1	Level 2	Level 3
Bonds	$ 920,525,628	967,491,798	—	920,525,628	—
Common stock	126,226,023	126,226,023	124,687,179	1,538,844	—
Cash, cash equivalents and short-term investments	$30,233,377	$30,233,377	$30,233,377	—	—
Other invested assets	14,917,939	14,917,939	—	14,917,939	—

Valuation of our financial instruments at December 31, 2022:

	Fair value	Admitted assets	Level 1	Level 2	Level 3
Bonds	$ 923,566,343	1,013,296,680	—	923,566,343	—
Common stock	144,886,415	144,886,415	142,430,995	2,455,420	—
Cash, cash equivalents and short-term investments	(15,935,204)	(15,935,204)	(15,935,204)	—	—
Other invested assets	17,016,049	17,016,049	—	17,046,049	—

Valuation of our financial instruments held at fair value by fair value hierarchy levels:

December 31, 2023	Level 1	Level 2	Level 3	Total
Bonds:				
Corporate securities	—	7,579,882	—	7,579,882
Asset backed securities	—	416,539	—	416,539
Commercial mortgage-backed securities	—	194,396	—	194,396
Total bonds	$ —	8,190,817	—	8,190,817
Common stock	$ 124,687,179	1,538,844	—	126,226,023

December 31, 2022	Level 1	Level 2	Level 3	Total
Bonds:				
Corporate securities	—	—	—	—
Asset backed securities	—	437,027	—	437,027
Commercial mortgage-backed securities	—	576,122	—	576,122
Total bonds	$ —	1,013,149	—	1,013,149
Common stock	$ 142,430,995	2,455,420	—	144,886,415

There were no transfers between Level 1, Level 2, and Level 3 for the years ended December 31, 2023 and 2022.

(4) Subsidiaries

The financial information of the Company's noninsurance wholly owned subsidiaries at December 31, 2023 and 2022 and for the years then ended is as follows:

		2023	2022
Assets	$	710,575	532,193
Liabilities		557,854	415,698
Equity		152,721	116,495
Revenues		10,800,048	11,731,698
Expenses and other equity changes		10,763,823	11,788,674

The stockholder's equity related to these noninsurance company subsidiaries is unaudited and nonadmitted.

The Company and its subsidiaries share certain facilities and services. Certain expenses are incurred initially by the Company and then allocated to the subsidiaries based on their use of facilities and services.

Grinnell Advisory Company, LLC charged the Company $418,683 and $296,168 in 2023 and 2022, respectively, for policy form services.

Farmutual Insurance Services, LLC charged the Company $1,364,729 and $3,506,120 in 2023 and 2022, respectively, for claim adjustment and accounting services.

(5) Liabilities for Losses and Loss Adjustment Expenses

Activity in the statutory liabilities for losses and loss adjustment expenses is as follows:

		2023	2022
Balance at beginning of year	$	379,163,871	422,842,921
Incurred losses and expenses related to insured events of :			
Current year	$	790,186,954	636,652,386
Prior years		(2,699,000)	9,786,000
Total incurred	$	787,487,954	646,438,386
Paid losses and expenses related to insured events of:			
Current year	$	508,254,000	464,955,000
Prior years		153,187,771	225,162,436
Total paid	$	661,441,771	690,117,436
Balance at end of year	$	505,210,054	379,163,871

The preceding paid amounts differ from the paid amounts reported in the statements of cash flow, which include the effects of changes in balances of reinsurance recoverable on loss payments and outstanding drafts.

(Continued)

The preceding liability balances are net of reinsurance ceded (note 6) and of estimated salvage and subrogation recoverable of $15,123,500 and $14,003,500 at December 31, 2023 and 2022, respectively.

Incurred losses and loss adjustment expenses related to prior years decreased $2,699,000 in 2023. This is the result of ongoing analysis of individual claims and loss development trends by line of business and accident years. This year's decrease was primarily related to improvements in private passenger auto, commercial auto liability and workers' compensation to the 2022 accident years. It was offset by increase in commercial multiple peril related to the 2021 and 2022 accident years.

The Company is exposed to environmental coverage losses under general liability policies. The Company has no history of significant environmental losses and management believes its underwriting guidelines limit its potential exposure. The evaluation of environmental risks is complicated by the past expansions of coverage and liability by the courts and the legislatures and the possibilities of future expansions. The Company's liability for incurred but not reported losses does not include a separate provision for environmental exposures as management believes they are neither probable nor able to be estimated.

(6) Reinsurance

Liabilities are reported net of reinsurance ceded at December 31, 2023 and 2022 as follows:

	2023	2022
Losses	$ 173,360,290	228,054,464
Loss adjustment expenses	1,365,560	711,926
Unearned premiums	8,691,165	8,630,510

The Company remains obligated for amounts ceded in the event that the reinsurers do not meet their obligations. There is no single reinsurer with a net recoverable in excess of 3% of surplus at December 31, 2023 or 2022.

Certain ceded reinsurance agreements provide for a return of a portion of the profits, if any, under the agreement on an annual basis. Such unrealized profits are recognized when determinable.

The effects of reinsurance on premiums and losses are as follows:

	2023	2022
Direct premiums written	$ 681,890,575	637,340,216
Reinsurance assumed from unrelated parties	273,804,306	200,183,500
Reinsurance ceded	(130,340,465)	(99,996,403)
Net premiums written	825,354,416	737,527,313
Increase in unearned premiums	(911,863)	(26,398,099)
Premiums earned	$ 824,442,553	711,129,214

	2023	2022
Direct losses paid	$ 474,230,992	501,036,840
Reinsurance assumed from unrelated parties	278,909,268	263,624,820
Reinsurance recovered	(151,882,373)	(139,687,792)
Net losses paid	601,257,887	624,973,868
Increase (decrease) in liability for losses	137,462,829	(54,312,668)
Losses incurred	$ 738,720,716	570,661,200

The difference between premiums ceded on a written and on an earned basis is not significant.

GMRC assumes all of GSIC’s and GCI’s premiums, losses, loss adjustment expenses and underwriting expenses on a 100% quota share basis.

(7) Federal Income Tax

The components of the deferred income tax assets (DTAs) and deferred income tax liabilities (DTLs) and the admission calculation at December 31, 2023 and 2022 are as follows:

	2023			2022		
	Ordinary	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
Gross DTAs	$ 61,503,395	1,000,262	62,503,657	34,200,522	707,330	34,907,852
Statutory valuation allowance adjustments	—	—	—	—	—	—
Adjusted gross DTAs	61,503,395	1,000,262	62,503,657	34,200,522	707,330	34,907,852
DTAs nonadmitted	57,045,269	—	57,045,269	2,582,125	—	2,582,125
Subtotal net admitted DTAs	4,458,126	1,000,262	5,458,388	31,618,397	707,330	32,325,727
DTLs	(1,299,960)	(4,118,190)	(5,418,150)	(498,377)	(2,161,857)	(2,660,234)
Net admitted DTA/(DTL)	$ 3,158,166	(3,117,928)	40,238	31,120,020	(1,454,527)	29,665,493
Federal income taxes paid in prior years	$ —	—	—	—	—	—
Adjusted gross DTAs expected to be realized after application of the threshold limits (lesser of following two amounts below):						
Adjusted DTAs expected to be realized following the combined statutory statements of admitted assets, liabilities and capital and surplus date	40,238	—	40,238	29,665,493	—	29,665,493
Adjusted gross DTAs allowed per limitation threshold	—	—	80,893,246	—	—	101,212,587
Adjusted DTAs excluding the amount of DTAs from taxes paid in prior years and DTAs expected to be realized after application of threshold	4,417,888	1,000,262	5,418,150	1,952,904	707,330	2,660,234
DTAs admitted	$ 4,458,126	1,000,262	5,458,388	31,618,397	707,330	32,325,727

	2023			2022		
	Ordinary	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
Ratio percentage used to determine recovery period and threshold limitation amount	—	—	581 %	—	—	944 %
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation	—	—	$ 539,288,304	—	—	$ 674,750,578
The Company does not utilize any tax planning strategies for admitting DTAs at December 31, 2023 and 2022	—	—	—	—	—	—
The Company does not have any unrecognized DTLs at December 31, 2023 and 2022	—	—	—	—	—	—

	Change		
	Ordinary	**Capital**	**Total**
Gross DTAs	$ 27,302,873	292,932	27,595,805
Statutory valuation allowance adjustments	—	—	—
Adjusted gross DTAs	27,302,873	292,932	27,595,805
DTAs nonadmitted	54,463,144	—	54,463,144
Subtotal net admitted DTAs	(27,160,271)	292,932	(26,867,339)
DTLs	(801,583)	(1,956,333)	(2,757,916)
Net admitted DTA/(DTL)	$ (27,961,854)	(1,663,401)	(29,625,255)
Federal income taxes paid in prior years	$ —	—	—
Adjusted gross DTAs expected to be realized after application of the threshold limits (lesser of following two amounts below):			
Adjusted DTAs expected to be realized following the statutory statements of admitted assets, liabilities and capital and surplus date	(29,625,255)	—	(29,625,255)
Adjusted gross DTAs allowed per limitation threshold			(18,669,593)
Adjusted DTAs excluding the amount of DTAs from taxes paid in prior years and DTAs expected to be realized after application of threshold	2,464,984	292,932	2,757,916
DTAs admitted	$ (27,160,271)	292,932	(26,867,339)

Current income taxes incurred consist of the following components:

		2023	2022	Change
Current income tax:				
Federal income tax on ordinary items	$	3,257	(2,361,776)	2,365,033
Federal income tax on net capital gains		1,010,189	1,453,582	(443,393)
Federal income taxes incurred	$	1,013,446	(908,194)	1,921,640

The change in the net deferred income taxes is comprised of the following:

		December 31			
		2023	2022		Change
Total deferred tax assets	$	62,503,657	34,907,852		27,595,805
Total deferred tax liabilities		(5,418,150)	(2,660,234)		(2,757,916)
Net deferred tax assets/(liabilities)		57,085,507	32,247,618		24,837,889
Tax effect of unrealized gains/(losses)					1,678,271
Change in net deferred income tax				$	26,516,160

The DTAs and DTLs arise from the following at December 31, 2023 and 2022:

	2023			2022		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Losses and loss adjustment expense	$ 6,080,348	—	6,080,348	5,070,100	—	5,070,100
Unearned premium reserves	10,538,845	—	10,538,845	10,492,230	—	10,492,230
Compensation and benefits accruals	3,789,291	—	3,789,291	3,437,204	—	3,437,204
Fixed assets	1,239,317	—	1,239,317	—	—	—
Net operating loss carryforward	37,046,446	—	37,046,446	13,419,041	—	13,419,041
Tax credit carryforward	1,286,532	—	1,286,532	1,043,347	—	1,043,347
Investments	—	1,000,262	1,000,262	—	707,330	707,330
Non-admitted assets and other	1,522,616	—	1,522,616	738,600	—	738,600
DTA subtotal	61,503,395	1,000,262	62,503,657	34,200,522	707,330	34,907,852
Statutory valuation allowance	—	—	—	—	—	—
Nonadmitted	57,045,269	—	57,045,269	2,582,125	—	2,582,125
Admitted DTAs	4,458,126	1,000,262	5,458,388	31,618,397	707,330	32,325,727
Investments	(356,046)	(4,118,190)	(4,474,236)	(225,880)	(2,161,857)	(2,387,737)
Fixed assets	—	—	—	1,042,704	—	1,042,704
Prepaid expenses	—	—	—	(382,557)	—	(382,557)
Transitional adjustment	(943,914)	—	(943,914)	(932,644)	—	(932,644)
Gross DTLs	(1,299,960)	(4,118,190)	(5,418,150)	(498,377)	(2,161,857)	(2,660,234)
Net deferred tax asset/ (liability)	$ 3,158,166	(3,117,928)	40,238	31,120,020	(1,454,527)	29,665,493

		Change	
	Ordinary	Capital	Total
Losses and loss adjustment expense	$ 1,010,248	—	1,010,248
Unearned premium reserves	46,615	—	46,615
Compensation and benefits accruals	352,087	—	352,087
Fixed assets	1,239,317	—	1,239,317
Net operating loss carryforward	23,627,405	—	23,627,405
Tax credit carryforward	243,185	—	243,185
Investments	—	292,932	292,932
Non-admitted assets and other	784,016	—	784,016
DTA subtotal	27,302,873	292,932	27,595,805
Statutory valuation allowance	—	—	—
Nonadmitted	54,463,144	—	54,463,144
Admitted DTAs	(27,160,271)	292,932	(26,867,339)
Investments	(130,166)	(1,956,333)	(2,086,499)
Fixed assets	(1,042,704)	—	(1,042,704)
Prepaid expenses	382,557	—	382,557
Transitional adjustment	(11,270)	—	(11,270)
Gross DTLs	(801,583)	(1,956,333)	(2,757,916)
Net deferred tax asset (liability)	$ (27,961,854)	(1,663,401)	(29,625,255)

The amount obtained by applying the prevailing federal income tax rate to income before income tax differs from income tax expense plus the change in deferred income tax from operating items as follows:

		2023	2022
Gain (loss) before federal income tax per statements of operations	$	(124,393,022)	(79,143,907)
Income tax on net realized gains included therein		1,010,189	1,453,582
Total gain (loss) before federal income tax	$	(123,382,833)	(77,690,325)
Expected federal income tax (benefit) at 21%	$	(25,385,395)	(16,314,968)
Effect of tax exempt investment income		(770,756)	(1,506,233)
Effect of dividends received		(471,001)	(98,083)
Deferred tax on nonadmitted assets		851,387	(573,005)
Effect of COLI cash value		(435,248)	572,440
Adjustment of prior-year tax estimates		1,024,826	1,670,064
Other		(316,527)	(639,627)
Total net current and deferred income tax (benefit)	$	(25,502,714)	(16,889,412)
Current federal income tax (benefit)	$	3,257	(2,361,776)
Current income tax on net realized gains (losses)		1,010,189	1,453,582
Change in deferred income tax from ordinary items		(26,516,160)	(15,981,218)
Total net current and deferred income tax (benefit)	$	(25,502,714)	(16,889,412)

There are no operating loss or alternative minimum tax credit carrybacks. The Company has incurred a net operating loss carryforward of $23,402,076 from the 2023 tax year, $13,641,533 from the 2022 tax year and $2,837 from the 2021 tax year. The net operating loss, if unused, will expire in years 2041, 2042 and 2043. In addition, the Company has $1,203,973 of unused tax credits from 2020, 2021 and 2022 tax years. The tax credits will expire in years 2035 through 2037. The Company's income tax returns are subject to audits by the Internal Revenue Service (IRS). The IRS hasn't examined an income tax return since the year ended December 31, 2011, and the Company considers tax years 2019 and before closed to such audits.

Tax planning strategies were not used in the computation of deferred taxes.

There is no valuation allowance for 2023 and 2022.

The Company's tax return is filed on a consolidated basis which includes all subsidiaries listed in footnote 1a.

The Company has made no section 6603 deposits during 2023 or 2022.

(8) Commitments

Rental expense for all leases was $1,909,337 and $1,782,838 for 2023 and 2022, respectively. Future minimum payments under noncancelable leases and agreements at December 31, 2023 are $3,906,722 ($1,764,005, $1,368,994, $454,468, $222,853, and $96,402 in 2024 through 2028, respectively). In addition, the Company leases automobiles under agreements with cancellation provisions. If not canceled, future minimum payments under automobile leases in effect at December 31, 2023 are $1,652,606 ($680,347, $535,660, $358,428, and $78,171 in 2024 through 2027, respectively).

The Company is committed to an additional investment of $5,294,535 in a venture fund limited partnership.

(9) Contingencies

The Company is named as defendant in various legal actions arising principally from claims made under insurance policies. These actions are considered by the Company in estimating liabilities for losses and loss adjustment expenses. Management believes the resolution of these actions will not have a material effect on the Company's financial position or results of operations.

The Company may be assessed by state insurance guaranty funds to protect policyholders and claimants of insolvent insurance companies. Assessments may be recovered through the reduction of future premium taxes in certain states. The payments of assessments and reductions in taxes are expected to occur over a number of future years. Expenses or (refunds) incurred for assessments are $10,576 and $50,182 in 2023 and 2022, respectively. Other obligations could exist, but are not determinable by the Company.

The Company has purchased annuities payable to claimants from life insurance companies to fund the settlement of certain of its claims. The Company could remain obligated if the life insurance companies do not meet their obligations. At December 31, 2023, the present value of these annuities is $3,162,933 and at December 31, 2022 is $3,095,339. No individual life insurance company used by the Company had annuity present values equal to or greater than 3% of the Company's surplus at December 31, 2023.

(10) Credit Arrangements

The Company has a line of credit for operating funds with a bank that allows the Company to borrow up to $100,000,000 for 2023 and $60,000,000 for 2022. Effective 2Q 2023, an accordion feature that allows the Company to access an additional $80,000,000 was added to the line of credit. This cancelled the prior line of credit of $60,000,000 and created a new revolving line of credit that has a borrowing limit of $100,000,000. Interest is charged at a variable rate equal to the bank's prime rate less 1.25 percent (7.25% at December 31, 2023 and 6.5% at December 31, 2022). The Company had no outstanding liability under this credit agreement for 2023 and $23,363,610 for 2022.The maturity date for this agreement is June 30, 2024. Interest paid during 2023 and 2022 was $486,015 and $560,884, respectively.

The December 31, 2022 line of credit balance was reported as borrowed money within the liabilities section of the combined statutory statements of admitted assets, liabilities and capital and surplus.

The Company does not have any reverse repurchase agreements.

As a member of the Federal Home Loan Bank of Des Moines, the Company may borrow under a number of arrangements at varying rates of interest and for various terms. The amount of credit is based on the availability of eligible mortgage-based investments that provide collateral. The Company owns stock in the Federal Home Loan Bank of Des Moines with a carrying value of $875,800 at December 31, 2023 and $1,850,300 at December 31, 2022.

(11) Employee Benefits

The Company sponsors a defined benefit pension plan. Effective December 31, 2010, the plan was closed to new participants and certain existing participants elected to forego future benefit increases in the plan. Benefits are based on years of service and average compensation over the five consecutive years of highest compensation. The Company makes annual contributions to the plan sufficient to fund the plan's normal cost on a current basis.

Information about the plan is as follows:

		2023	2022
Vested projected benefits obligations at beginning of year	$	90,436,323	128,400,478
Service cost		2,028,999	3,199,284
Interest cost		4,576,270	3,615,460
Actuarial (gain) loss		2,961,863	(36,400,947)
Benefits paid		(6,487,890)	(8,377,952)
Vested projected benefit obligation at end of year		93,515,565	90,436,323
Fair value of plan assets at beginning of year		99,555,170	133,220,296
Investment return		10,147,166	(25,287,174)
Benefits paid		(6,487,890)	(8,377,952)
Fair value of plan assets at end of year		103,214,446	99,555,170
Overfunded/(underfunded) status at end of year	$	9,698,881	9,118,847

The Company has a nonadmitted prepaid asset for the defined benefit pension plan of $23,217,488 and $24,814,330 at December 31, 2023 and 2022, respectively.

The actuarial (gains)/losses were $2,961,863 and ($36,400,947) in 2023 and 2022, respectively. The primary sources of (gain)/loss were the changes in discount rate (which accounted for $2,208,183 and ($33,590,561) in 2023 and 2022 respectively) and census data updates (which accounted for $753,680 and ($2,810,386) in 2023 and 2022 respectively).

		2023	2022
Accumulated benefit obligation	$	82,563,183	79,490,732
Nonadmitted asset at beginning of year	$	24,814,330	23,644,227
Net periodic benefit cost		(1,596,842)	1,170,103
Nonadmitted asset at end of year	$	23,217,488	24,814,330
Components of net periodic benefit cost:			
Service cost	$	2,028,999	3,199,284
Interest cost		4,576,270	3,615,460
Expected investment return		(5,860,535)	(8,545,155)
Amortization of prior service cost		172,089	172,089
Prior year losses or (gains) not recognized		680,019	388,219
Net periodic benefit cost (benefit)	$	1,596,842	(1,170,103)

		2023	2022
Items not yet recognized as a component of net periodic cost at beginning of year	$	15,695,483	18,824,409
Prior service cost or credit recognized		(172,089)	(172,089)
Gain or (loss) arising during the period		(1,324,768)	(2,568,618)
Gain or (loss) recognized		(680,019)	(388,219)
Items not yet recognized as a component of net periodic cost at end of year	$	13,518,607	15,695,483
Weighted average assumptions used to determine net periodic benefit cost and projected benefit obligations:			
Discount rate for periodic benefit cost		5.12%	2.88%
Discount rate for projected benefit obligations		4.93	5.12
Expected return on plan assets		6.00	6.50
Expected compensation increase		4.00	4.00

For both December 31, 2023 and December 31, 2022, the mortality assumption used was the Pri-2012 Total Dataset mortality table with the Projection Scale MP 2021 with full generational mortality improvement.

Company contributions to the plan for 2024 are expected to be $0.

Estimated future benefit payments are $4,159,616, $4,608,289, $5,016,251, $5,184,013, and $5,693,683 for the years 2024 through 2028, respectively, and $34,079,407 in the aggregate for the period 2029 through 2033.

The Company's defined benefit plan invests in a diversified mix of traditional asset classes. Investments in U.S. and international equity mutual funds, fixed income mutual funds, real estate and cash equivalents are made to maximize long-term returns while recognizing the need for adequate liquidity to meet on-going benefit and administrative obligations. Risk tolerance of unexpected investment and actuarial outcomes is continually evaluated by understanding the pension plan's liability characteristics. This is performed through forecasting and assessing the Company's financial condition and its future potential obligations from both the pension and general corporate requirements. Equity investments are used primarily to increase overall plan returns. Fixed income investments provide diversification benefits and liability hedging attributes that are desirable. Asset allocations, investment performance, and forecasting of asset and liability growth performed annually by the plan's Trustee Committee.

The expected long-term rate of return is estimated based on many factors including the expected forecast for inflation, risk premiums for each asset class, expected asset allocation, current and future financial market conditions, and diversification and rebalancing strategies. Historical return patterns and correlations, consensus return forecasts and other relevant financial factors are analyzed to check for reasonability and appropriateness.

The plan's asset allocation as of the measurement date at December 31, 2023 and the target asset allocation, presented as a percentage of total plan assets were as follows:

	Actual	Target
Debt securities	79%	79%
Equity securities	20	20
Other	1	1
Total asset allocation	100%	100%

The plan's assets at December 31, 2023 and 2022 are as follows (values are Level 2 market quotes):

	2023		2022	
Equity index funds	$ 20,587,112	20%	$ 20,280,164	20%
Bond index funds	81,285,601	79	78,437,749	79
Cash and other	1,341,733	1	837,257	1
Fair value at end of year	$ 103,214,446	100%	$ 99,555,170	100%

The Company provides a supplemental retirement plan for officers, meeting service and age eligibility requirements, who become participants upon retirement or disability. Had other officers meeting currently existing requirements elected retirement at December 31, 2023, the Company's liability would have approximated $2,035,000. The plan was frozen during 2009.

The Company has an employee savings and investment plan qualified under Internal Revenue Service Section 401(k). Employees may contribute a limited portion of their salaries to this plan. Company matching contributions are made to the plan if Company profits meet a predetermined level. The Company's plan expense was $0 for both 2023 and 2022. In addition, the Company makes fixed contributions to the plan of 3.5% of eligible compensation of certain electing existing participants and all new participants. Company fixed contributions to the plan were $1,500,000 and $1,400,000 in 2023 and 2022, respectively. The Company's plan for providing health and dental benefits covers substantially all of its employees and certain employee dependents. The Company makes contributions to this plan sufficient to provide for benefit payments required under the plan. The portion of plan costs related to retirees is not considered to be material.

The Company has a non-qualified executive and directors deferred compensation plan for a select group of employees, officers of the Company and board members. Participants may contribute a limited portion of their salaries to this plan, and board members may contribute all of their compensation if desired. Company matching to the officers are made to the plan if Company profits meet a predetermined level.

(12) Subsequent Events

The Company has evaluated events or transactions that may have occurred since December 31, 2023, that would merit recognition or disclosure in the combined statutory financial statements. This evaluation was completed through May 14, 2024, the date the combined statutory financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

December 31, 2023

Admitted Assets	GMRC	GSIC	GCI	Eliminations	Combined
Cash and investments:					
Bonds	$ 967,491,798	—	—	—	967,491,798
Common stocks	126,226,023	—	—	—	126,226,023
Subsidiaries	27,444,652	—	—	(27,444,652) (1)	—
Real estate	12,380,253	—	—	—	12,380,253
Other invested assets	14,917,939	—	—	—	14,917,939
Cash, cash equivalents and short-term investments	21,828,791	5,767,498	2,637,088	—	30,233,377
Total cash and investments	1,170,289,456	5,767,498	2,637,088	(27,444,652)	1,151,249,390
Accrued investment income	12,170,579	9,408	7,318	—	12,187,305
Premiums receivable	139,684,520	16,383,315	10,975,128	(20,994,201) (2)	146,048,762
Reinsurance recoverable on loss payments	26,230,890	12,702,111	5,722,970	(18,425,080) (2)	26,230,891
Due from affiliates	70,645	3,406,045	2,124,256	(5,530,301) (2)	70,645
Federal income tax recoverable	722,174	—	—	—	722,174
Deferred income tax	—	31,185	9,053	—	40,238
Data processing equipment net	686,675	—	—	—	686,675
Other	11,455,523	(5,417)	—	—	11,450,106
Total assets	$ 1,361,310,462	38,294,145	21,475,813	(72,394,234)	1,348,686,186

(1) Eliminate investment in and equity of subsidiaries

(2) Eliminate intercompany receivables and payables

(Continued)

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

December 31, 2023

Liabilities and Capital and Surplus	GMRC	GSIC	GCI	Eliminations	Combined
Liabilities:					
Losses	$ 454,109,230	—	—	(18,425,080) (2)	435,684,150
Loss adjustment expenses	69,525,904	—	—	—	69,525,904
Unearned premiums	249,978,174	—	—	—	249,978,174
Advanced premium	3,441,850	1,827,955	862,145	—	6,131,950
Policyholder dividends	588,409	103,026	—	—	691,435
Funds held under reinsurance treaties	687,048	—	—	—	687,048
Accrued expenses and accounts payable	21,535,001	5,475,706	2,153,285	—	29,163,992
Taxes, other than income taxes	245,914	68,870	747,660	—	1,062,444
Ceded reinsurance premiums payable	9,274,615	13,428,417	7,565,784	(20,994,201) (2)	9,274,615
Federal income tax	—	29,350	22,870	—	52,220
Due to affiliates	5,530,301	—	—	(5,530,301) (2)	—
Deferred compensation	13,080,749	—	—	—	13,080,749
Provision for reinsurance	58,422	—	—	—	58,422
Total liabilities	828,055,617	20,933,324	11,351,744	(44,949,582)	815,391,103
Capital and surplus:					
Common capital stock	—	2,500,000	2,500,000	(5,000,000) (1)	—
Paid-in capital	—	2,500,000	7,500,000	(10,000,000) (1)	—
Special surplus funds	1,000,000	—	—	—	1,000,000
Unassigned surplus	532,295,083	12,360,821	124,069	(12,484,890) (1)	532,295,083
Total capital and surplus	533,295,083	17,360,821	10,124,069	(27,484,890)	533,295,083
Total liabilities and capital and surplus	$ 1,361,350,700	38,294,145	21,475,813	(72,434,472)	1,348,686,186

(1) Eliminate investment in and equity of subsidiaries

(2) Eliminate intercompany receivables and payables

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Operations and Changes in Capital and Surplus

Year ended December 31, 2023

	GMRC	GSIC	GCI	Eliminations	Combined
Premiums earned	$ 824,442,553	—	—	—	824,442,553
Losses incurred	(738,720,716)	—	—	—	(738,720,716)
Loss adjustment expenses incurred	(48,767,238)	—	—	—	(48,767,238)
Underwriting expenses incurred	(211,497,439)	—	—	—	(211,497,439)
Underwriting gain (loss)	(174,542,840)	—	—	—	(174,542,840)
Investment gains, net of federal income tax expense	53,190,333	99,344	76,820	(2,500,000) (4)	50,866,497
Other income (loss), net	(109,983)	—	—	—	(109,983)
Income (loss) before dividends to policyholders and federal income tax	(121,462,490)	99,344	76,820	(2,500,000)	(123,786,326)
Dividends to policyholders	(606,696)	—	—	—	(606,696)
Income (loss) before federal income tax expense	(122,069,186)	99,344	76,820	(2,500,000)	(124,393,022)
Federal income tax expense (benefit)	(42,094)	31,481	13,870	—	3,257
Net income (loss)	(122,027,092)	67,863	62,950	(2,500,000)	(124,396,279)
Capital and surplus:					—
Change in net unrealized gains (losses) on					—
investments, net of tax	4,005,612	—	—	2,344,111 (3)	6,349,723
Change in net deferred income tax (benefit) expense	26,512,297	149	3,714	—	26,516,160
Change in nonadmitted assets	(51,010,169)	21,213	—	—	(50,988,956)
Change in provision for reinsurance	483,825	—	—	—	483,825
Dividends to stockholders	—	(2,500,000)	—	2,500,000 (4)	—
Change in pension plan liability, net of tax	580,034	—	—	—	580,034
Change in capital and surplus for year	(141,455,493)	(2,410,775)	66,664	2,344,111	(141,455,493)
Capital and surplus at beginning of year	674,750,576	19,771,596	10,057,405	(29,829,001) (3)	674,750,576
Total capital and surplus at December 31	$ 533,295,083	17,360,821	10,124,069	(27,484,890)	533,295,083

(3) Eliminate equity of subsidiaries.

(4) Dividend paid to parent from subsidiary

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Cash Flow

Year ended December 31, 2023

		GMRC	GSIC	GCI	Eliminations	Combined
Operating activities:						
Premiums collected net of reinsurance	$	812,706,186	1,426,086	2,427,960	—	816,560,232
Net investment income		52,763,271	95,796	74,062	(2,500,000)	50,433,129
Miscellaneous income		(109,983)	—	—	—	(109,983)
Losses and loss related payments, net of reinsurance		(605,155,267)	(60,739)	(2,407,093)	—	(607,623,099)
Commissions, expense paid, and aggregate						-
write-ins for deductions		(273,558,829)	360,306	1,469,652	—	(271,728,871)
Dividends paid to policyholders		(639,730)	(25,507)	—	—	(665,237)
Federal income taxes recovered (paid)		2,629,662	269	—	—	2,629,931
Net cash from (used in) operations activities		(11,364,690)	1,796,211	1,564,581	(2,500,000)	(10,503,898)
Investing activities:						
Proceeds from investments sold, matured, or repaid:						
Bonds		328,815,068	—	—	—	328,815,068
Common stocks		57,327,772	—	—	—	57,327,772
Other invested assets		652	—	—	—	652
Total investment proceeds		386,143,492	—	—	—	386,143,492
Cost of investments acquired:						
Bonds		(297,049,217)	—	—	—	(297,049,217)
Common stocks		(15,092,022)	—	—	—	(15,092,022)
Real estate		—	—	—	—	-
Other invested assets		(830,710)	—	—	—	(830,710)
Total cost of investments acquired		(312,971,949)	—	—	—	(312,971,949)
Net cash from (used in) investment activities		73,171,543	—	—	—	73,171,543
Financing and miscellaneous activities:						
Dividends to stockholders		—	(2,500,000)	—	2,500,000	-
Borrowed money		(23,323,610)	—	—	—	(23,323,610)
Other cash applied		5,078,681	3,374,717	(1,628,852)	—	6,824,546
Net cash from (used in) financing activities		(18,244,929)	874,717	(1,628,852)	2,500,000	(16,499,064)
Net change in cash, cash equivalent and short-term investments		43,561,924	2,670,928	(64,271)	—	46,168,581
Cash, cash equivalents and short-term investments at beginning of year		(21,733,137)	3,096,572	2,701,361	—	(15,935,204)
Cash, cash equivalents and short-term investments at end of year	$	21,828,787	5,767,500	2,637,090	—	30,233,377

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

December 31, 2022

Admitted Assets	GMRC	GSIC	GCI	Eliminations	Combined
Cash and investments:					
Bonds	$ 1,013,296,680	—	—	—	1,013,296,680
Common stocks	144,886,415	—	—	—	144,886,415
Subsidiaries	29,829,001	—	—	(29,829,001) (1)	—
Real estate	13,418,674	—	—	—	13,418,674
Other invested assets	17,016,049	—	—	—	17,016,049
Cash, cash equivalents and short-term investments	(21,733,133)	3,096,570	2,701,359	—	(15,935,204)
Total cash and investments	1,196,713,686	3,096,570	2,701,359	(29,829,001)	1,172,682,614
Accrued investment income	12,079,803	5,861	4,560	—	12,090,224
Premiums receivable	129,907,282	17,516,702	10,395,971	(18,343,081) (2)	139,476,874
Reinsurance recoverable on loss payments	19,865,679	12,641,371	3,315,877	(15,957,248) (2)	19,865,679
Due from affiliates	84,804	6,805,959	439,356	(7,245,315) (2)	84,804
Federal income tax recoverable	4,319,931	2,400	—	—	4,322,331
Deferred income tax	29,629,118	31,036	5,339	—	29,665,493
Data processing equipment net	1,071,123	—	—	—	1,071,123
Other	9,330,334	—	—	—	9,330,334
Total assets	$ 1,403,001,760	40,099,899	16,862,462	(71,374,645)	1,388,589,476

(1) Eliminate investment in and equity of subsidiaries

(2) Eliminate intercompany receivables and payables

See accompanying independent auditors' report.

(Continued)

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

December 31, 2022

Liabilities and Capital and Surplus	GMRC	GSIC	GCI	Eliminations	Combined
Liabilities:					
Losses	$ 314,178,569	—	—	(15,957,248) (2)	298,221,321
Loss adjustment expenses	80,942,550	—	—	—	80,942,550
Unearned premiums	249,066,311	—	—	—	249,066,311
Advanced premium	3,462,522	1,553,931	508,451	—	5,524,904
Policyholder dividends	621,443	128,533	—	—	749,976
Funds held under reinsurance treaties	1,413,624	—	—	—	1,413,624
Accrued expenses and accounts payable	23,857,572	5,026,544	964,120	—	29,848,236
Taxes, other than income taxes	(84,065)	168,292	411,125	—	495,352
Ceded reinsurance premiums payable	12,082,525	13,430,720	4,912,361	(18,343,081) (2)	12,082,525
Outstanding drafts	12,148	20,283	—	—	32,431
Federal income tax	—	—	9,000	—	9,000
Borrowed money	23,323,610	—	—	—	23,323,610
Due to affiliates	7,245,315	—	—	(7,245,315) (2)	—
Deferred compensation	11,586,813	—	—	—	11,586,813
Provision for reinsurance	542,247	—	—	—	542,247
Total liabilities	728,251,184	20,328,303	6,805,057	(41,545,644)	713,838,900
Capital and surplus:					
Common capital stock	—	2,500,000	2,500,000	(5,000,000) (1)	—
Paid-in capital	—	2,500,000	7,500,000	(10,000,000) (1)	—
Special surplus funds	1,000,000	—	—	—	1,000,000
Unassigned surplus	673,750,576	14,771,596	57,405	(14,829,001) (1)	673,750,576
Total capital and surplus	674,750,576	19,771,596	10,057,405	(29,829,001)	674,750,576
Total liabilities and capital and surplus	$ 1,403,001,760	40,099,899	16,862,462	(71,374,645)	1,388,589,476

(1) Eliminate investment in and equity of subsidiaries

(2) Eliminate intercompany receivables and payables

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Operations and Changes in Capital and Surplus

Year ended December 31, 2022

	GMRC	GSIC	GCI	Eliminations	Combined
Premiums earned	$ 711,129,214	—	—	—	711,129,214
Losses incurred	(570,661,200)	—	—	—	(570,661,200)
Loss adjustment expenses incurred	(75,777,186)	—	—	—	(75,777,186)
Underwriting expenses incurred	(192,255,979)	—	—	—	(192,255,979)
Underwriting gain (loss)	(127,565,151)	—	—	—	(127,565,151)
Investment gains, net of federal income tax expense	49,446,707	23,886	18,142	—	49,488,735
Other income, net	(501,971)	—	—	—	(501,971)
Income (loss) before dividends to policyholders and federal income tax	(78,620,415)	23,886	18,142	—	(78,578,387)
Dividends to policyholders	(565,520)	—	—	—	(565,520)
Income (loss) before federal income tax expense	(79,185,935)	23,886	18,142	—	(79,143,907)
Federal income tax expense (benefit)	(2,368,333)	(2,439)	8,996	—	(2,361,776)
Net income (loss)	(76,817,602)	26,325	9,146	—	(76,782,131)
Capital and surplus:					
Change in net unrealized gains (losses) on investments, net of tax	(34,870,042)	—	—	(76,165) (3)	(34,946,207)
Change in net deferred income tax (benefit) expense	15,995,288	(18,934)	4,864	—	15,981,218
Change in nonadmitted assets	(4,844,693)	54,764	—	—	(4,789,929)
Change in provision for reinsurance	(511,976)	—	—	—	(511,976)
Change in pension plan liability, net of tax	4,299,029	—	—	—	4,299,029
Change in capital and surplus for year	(96,749,996)	62,155	14,010	(76,165)	(96,749,996)
Capital and surplus at beginning of year	771,500,572	19,709,441	5,043,395	(24,852,836) (3)	771,400,572
Total capital and surplus at December 31	$ 674,750,576	19,771,596	5,057,405	(24,929,001)	674,650,576

(3) Eliminate equity of subsidiaries.

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combining Statutory Statements of Cash Flow

Year ended December 31, 2022

	GMRC	GSIC	GCI	Eliminations	Combined
Operating activities:					
Premiums collected net of reinsurance	$ 723,652,366	1,141,290	(4,217,677)	—	720,575,979
Net investment income	50,648,227	18,077	13,622	—	50,679,926
Miscellaneous income	(501,971)	—	—	—	(501,971)
Losses and loss related payments, net of reinsurance	(622,934,806)	108,211	(3,047,256)	—	(625,873,851)
Commissions, expense paid, and aggregate write-ins for deductions	(259,079,783)	(1,399,430)	1,290,057	—	(259,189,156)
Dividends paid to policyholders	(569,077)	3,533	—	—	(565,544)
Federal income taxes (paid) recovered	6,034,153	2,339	4	—	6,036,496
Net cash from (used in) operations activities	(102,750,891)	(125,980)	(5,961,250)	—	(108,838,121)
Investing activities:					
Proceeds from investments sold, matured, or repaid:					
Bonds	348,602,550	—	—	—	348,602,550
Common stocks	14,650,977	—	—	—	14,650,977
Other invested assets	5,610,604	—	—	—	5,610,604
Total investment proceeds	368,864,131	—	—	—	368,864,131
Cost of investments acquired:					
Bonds	(303,265,266)	—	—	—	(303,265,266)
Common stocks	(21,349,462)	—	—	5,000,000	(16,349,462)
Real estate	(7,209)	—	—	—	(7,209)
Other invested assets	(6,793,581)	—	—	—	(6,793,581)
Total cost of investments acquired	(331,415,518)	—	—	5,000,000	(326,415,518)
Net cash used in investment activities	37,448,613	—	—	5,000,000	42,448,613
Financing and miscellaneous activities:					
Capital and paid in surplus	—	—	5,000,000	(5,000,000)	—
Borrowed money	23,323,610	—	—	—	23,323,610
Other cash applied	3,775,214	(1,950,978)	(460,710)	—	1,363,526
Net cash from (used in) financing activities	27,098,824	(1,950,978)	4,539,290	(5,000,000)	24,687,136
Net change in cash, cash equivalent and short-term investments	(38,203,454)	(2,076,958)	(1,421,960)	—	(41,702,372)
Cash, cash equivalents and short-term investments at beginning of year	16,470,317	5,173,530	4,123,321	—	25,767,168
Cash, cash equivalents and short-term investments at end of year	$ (21,733,137)	3,096,572	2,701,361	—	(15,935,204)

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combined Schedule of Investment Risks Interrogatories

December 31, 2023

1. The Company's total combined admitted assets as reported in the accompanying combined statutory statements of admitted assets, liabilities, and capital and surplus is $1,348,686,186.

2. Following are the ten largest exposures to a single issuer/borrower/investment excluding (i) U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the SVO Practices and Procedures Manual as exempt and (ii) property occupied by the Company:

	Issuer	Category		Amount	Percentage of total admitted assets
a.	Korth Direct Mortgage Inc. (CUSIP #50067H)	Bonds	$	32,891,725	2.4%
b.	Dodge & Cox Stock Fund (CUSIP #256219)	Equity		21,242,964	1.6
c.	DFA Investment Dimensions Group Inc (CUSIP #233203)	Equity		15,231,175	1.1
d.	T. Rowe Price Growth Stock Fund, Inc. (CUSIP #741479)	Equity		14,572,141	1.1
e.	NOV Inc. (CUSIP #637071)	Bonds		12,880,660	1.0
f.	MassMutual Select Funds (CUSIP #57630A)	Equity		12,741,933	0.9
g.	Vanguard Tax-Managed Funds (CUSIP #921943)	Equity		11,707,146	0.9
h.	General Motors Company (CUSIP #37045V)	Bonds		10,979,449	0.8
i.	Halliburton Company (CUSIP #406216)	Bonds		10,776,709	0.8
j.	Vanguard Institutional Index Funds (CUSIP #922040)	Equity		10,378,306	0.8

3. The Company's total admitted assets held in bonds, by NAIC ratings, are:

NAIC Rating		Amount	Percentage of total admitted assets
NAIC-1	$	281,350,995	20.9%
NAIC-2		677,949,986	50.3
NAIC-3		7,579,882	0.6
NAIC-4		—	—
NAIC-5		610,935	—
NAIC-6		—	—

4. The Company's assets held in foreign investments are 4.5%, or $60,210,509, of total admitted assets.

GRINNELL MUTUAL GROUP

Combined Schedule of Investment Risks Interrogatories

December 31, 2023

5. The aggregate foreign investment exposure categorized by NAIC sovereign designation are:

NAIC Rating		Amount	Percentage of total admitted assets
Countries designated NAIC-1	$	53,378,064	4.0%
Countries designated NAIC-2		3,971,837	0.3
Countries designated NAIC-3 or below		2,860,608	0.2

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

NAIC Rating	Country		Amount	Percentage of total admitted assets
NAIC-1	United Kingdom	$	25,108,176	1.9%
NAIC-1	Bermuda		8,716,115	0.6
NAIC-2	Mexico		3,971,837	0.3
NAIC-3 or below	Barbados		2,860,608	0.2

7-9. The Company had no unhedged foreign currency exposure.

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	Issuer	NAIC Designation		Amount	Percentage of total admitted assets
a.	Barclays PLC	2FE	$	9,399,743	0.7%
b.	HSBC Holdings plc	2FE		8,552,666	0.6
c.	Athene Holding Ltd.	2FE		5,677,327	0.4
d.	UBS Group AG	1FE		4,985,763	0.4
e.	Lloyds Banking Group plc	2FE		4,439,954	0.3
f.	Banco Santander, S.A.	2FE		4,123,666	0.3
g.	México Generadora de Energía, S. de R.L.	2FE		3,971,837	0.3
h.	JAB Holdings B.V.	2FE		3,483,392	0.3
i.	Société Générale Société anonyme	2FE		3,046,769	0.2
j.	Enstar Group Limited	2FE		3,038,787	0.2

11. The Company's assets held in Canadian investments are less than 2.5% of total admitted assets.

GRINNELL MUTUAL GROUP

Combined Schedule of Investment Risks Interrogatories

December 31, 2023

12. The Company does not have any assets held in investments with contractual sales restrictions.

13. The Company's admitted assets held in the ten largest equity interests:

	Issuer		Amount	Percentage of total admitted assets
a.	Dodge & Cox Stock Fund (CUSIP #256219)	$	21,242,964	1.6%
b.	DFA Investment Dimensions Group Inc. (CUSIP #233203)		15,231,175	1.1
c.	T. Rowe Price Growth Stock Fund, Inc. (CUSIP #741479)		14,572,141	1.1
d.	MassMutual Select Funds (CUSIP #57630A)		12,741,933	0.9
e.	Vanguard Tax-Managed Funds (CUSIP #921943)		11,707,146	0.9
f.	Vanguard Institutional Index Funds (CUSIP #922040)		10,378,306	0.8
g.	iShares Trust (CUSIP #464288)		8,988,910	0.7
h.	Vanguard Index Funds - Small Cap (CUSIP #922908)		7,107,444	0.5
i.	T. Rowe Price New Horizons Fund, Inc. (CUSIP #779562)		7,086,550	0.5
j.	Vanguard Index Funds - Mid Cap (CUSIP #922908)		5,970,706	0.4

14. The Company does not have any assets held in nonaffiliated, privately placed equities at December 31, 2023.

15. The Company does not have any assets held in general partnership interest at December 31, 2023.

16–17. The Company's assets held in mortgage loans are less than 2.5% of total admitted assets.

18. The Company's assets held in real estate are less than 2.5% of total admitted assets.
19. The Company does not have any assets held in mezzanine real estate loans at December 31, 2023.
20. The Company's total admitted assets subject to the following types of agreements (securities lending, repurchase, reverse repurchase, dollar repurchase, dollar reverse repurchase) as of the following dates: **NONE**
21. The Company's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors are: **NONE**
22. The Company's potential exposure for collars, swaps, and forwards: **NONE**
23. The Company's potential exposure for futures contracts as of the following dates: **NONE**

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combined Schedule of Reinsurance Interrogatories

December 31, 2023

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [_] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. Not applicable.

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Not applicable.

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) An unconditional or unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes [_] No [X]

GRINNELL MUTUAL GROUP

Combined Schedule of Reinsurance Interrogatories

December 31, 2023

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus or it reported calendar year written premiums ceded or year-end loss and loss expense reserves greater than 5% of prior year-end surplus; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [_] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 30 of SSAP No. 62, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles (SAP) and as a deposit under generally accepted accounting principles (GAAP); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [_] No [X]

9.5 If yes to 9.4, explain why the contract(s) is treated differently for GAAP and SAP. Not applicable.

See accompanying independent auditors' report.

GRINNELL MUTUAL GROUP

Combined Summary Investment Schedule

December 31, 2023

Investment categories	Gross investment holdings * Amount	Gross investment holdings * Percentage	Admitted assets as reported in the annual statement Amount	Admitted assets as reported in the annual statement Percentage
Long-Term Bonds:				
U.S. Governments	$ 7,758,102	0.7%	$ 7,758,102	0.7%
All Other Governments	—	—	—	—
U.S. States, Territories, and Possessions, etc. Guaranteed	—	—	—	—
U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed	39,065,242	3.4%	39,065,242	3.4%
U.S. Special Revenue & Special Assessment Obligations, etc. Non-Guaranteed	76,128,383	6.6%	76,128,383	6.6%
Industrial and Miscellaneous	844,540,071	73.0%	844,540,071	73.3%
Hybrid Securities	—	—	—	—
Parent, Subsidiaries, and Affiliates	—	—	—	—
SVO Identified Funds	—	—	—	—
Bank Loans	—	—	—	—
Total Long-Term Bonds	967,491,798	83.7%	967,491,798	84.0%
Preferred Stocks:	—	—	—	—
Industrial and Misc. (Unaffiliated)	—	—	—	—
Parent, Subsidiaries, and Affiliates	—	—	—	—
Total Preferred Stocks	—	—	—	—
Common Stocks:	—	—	—	—
Industrial and Misc. (Unaffiliated) Publicly Traded	—	—	—	—
Industrial and Misc. (Unaffiliated) Other	1,538,844	0.1%	1,538,844	0.1%
Parent, Subsidiaries, and Affiliates Publicly Traded	—	—	—	—
Parent, Subsidiaries, and Affiliates Other	—	—	—	—
Mutual Funds	107,696,813	9.3%	107,696,813	9.4%
Exchange Traded Funds	16,990,366	1.5%	16,990,366	1.5%
Closed-End Funds	—	—	—	—
Total Common Stocks	126,226,023	10.9%	126,226,023	11.0%
Mortgage Loans:	—	—	—	—
Farm Mortgages	—	—	—	—
Residential Mortgages	—	—	—	—
Commercial Mortgages	—	—	—	—
Mezzanine Real Estate Loans	—	—	—	—
Total Mortgage Loans	—	—	—	—
Real estate:	—	—	—	—
Properties Occupied by Company	12,380,253	1.1%	12,380,253	1.1%
Properties Held for Production of Income	—	—	—	—
Properties Held for Sale	—	—	—	—
Total Real Estate	12,380,253	1.1%	12,380,253	1.1%
Cash, cash equivalents, and short term investments:	—	—	—	—
Cash	26,735,682	2.3%	26,735,682	2.3%
Cash Equivalents	3,497,695	0.3%	3,497,695	0.3%
Short-Term Investments	—	—	—	—
Total Cash, Cash Equivalents, and Short Term Investments	30,233,377	2.6%	30,233,377	2.6%
Contract Loans	—	—	—	—
Derivatives	—	—	—	—
Other Invested	19,427,391	1.7%	14,917,939	1.3%
Receivables for Securities	—	—	—	—
Securities Lending	—	—	—	—
Aggregate Write-ins for Invested Assets	—	—	—	—
Total invested assets	$ 1,155,758,842	100.0%	$ 1,151,249,390	100.0%

* Gross investment holdings as valued in compliance with NAIC *Accounting Practices and Procedures Manual.*

See accompanying independent auditors' report.

(1) Basis of Presentation

The accompanying combined supplemental schedules present selected statutory-basis financial data as of December 31, 2023 and 2022 and for the years then ended for purposes of complying with the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* and agrees to or is included in the amounts reported in the Company's 2023 and 2022 Statutory Annual Statement as filed with the Iowa Insurance Division.

Certain items required by the National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* have been omitted from the schedules presented herein as amounts are zero or items are not applicable.