

BEFORE THE INSURANCE COMMISSIONER OF THE STATE OF IOWA

In the matter of the Reorganization)	FINDINGS OF FACT, CONCLUSIONS
of FARMERS MUTUAL HAIL)	OF LAW and ORDER
INSURANCE COMPANY OF IOWA)	
into FMH MUTUAL HOLDING COMPANY,)	(Iowa Code chapter 521A.14)
FMH INSURANCE HOLDINGS, INC.,)	
FMH GENERAL HOLDINGS, INC., and)	
FARMERS MUTUAL HAIL INSURANCE)	
COMPANY, SI)	

I. INTRODUCTION

Farmers Mutual Hail Insurance Company of Iowa, a domestic mutual insurance company (the “Applicant”) filed a limited application for approval of a plan to (1) create a mutual insurance holding company to be named FMH Mutual Holding Company; (2) create two intermediate holding companies, FMH Insurance Holdings, Inc. and FMH General Holdings, Inc.; and (3) convert Applicant into a stock insurance company under Iowa Code chapter 490 to be named Farmers Mutual Hail Insurance Company, SI. Immediately after the reorganization, all the outstanding issued shares of Farmers Mutual Hail Insurance Company, SI will be owned by FMH Insurance Holdings, Inc., and all the outstanding shares of both holding companies will be held by Farmers Mutual Holding Company.

Pursuant to the provisions of Iowa Code sections 521A.14(2)(a) and 521A.3(4)(b) and Iowa Administrative Code chapter 191—46, on January 15, 2026 a public hearing was held at the offices of the Iowa Insurance Division (“Division”) for the purpose of determining whether the Applicant’s proposed reorganization complies with the requirements set forth in Iowa Code section 521A.14 and 191 Iowa Administrative Code rule 46.4(3). The public was invited to participate both in person and remotely.

II. JURISDICTION

The Commissioner has jurisdiction over this proceeding under Iowa Code sections 17A.11, 17A.12, 521A.3, and 521A.14(1). Notice of the public hearing was provided to the parties and to the public in accordance with Iowa Code section 17A.12. The notice of hearing was issued on December 3, 2025 and posted on the Insurance Division’s website.

III. FINDINGS OF FACT

Applicant filed a Limited Application on December 22, 2025 (the “Limited Application”), applying for approval of the proposed reorganization with the Commissioner of Insurance for the

State of Iowa (the “Commissioner”).

Upon receipt of regulatory approval from the Commissioner, the Applicant will form a new mutual insurance holding company to be named FMH Mutual Holding Company; create two intermediate holding companies, FMH Insurance Holdings, Inc. and FMH General Holdings, Inc.; and convert Applicant into a stock insurance company under Iowa Code chapter 490 to be named Farmers Mutual Hail Insurance Company SI. (*Ex. 7, Form A Statement*). Immediately after the reorganization, Farmers Mutual Hail Insurance Company SI will issue 1,000 shares of common stock, which will be owned by FMH Insurance Holdings, Inc.; and all the outstanding shares of both holding companies will be held by Farmers Mutual Holding Company. As a result, FMH Mutual Holding Company will indirectly own all of the outstanding shares of Farmers Mutual Hail Insurance Company SI through its ownership of FMH Holdings, Inc. (*Ex. 6, Limited Plan of Reorganization, p. 2; Ex. 5, Member Information Statement, p. 9 (Diagram of reorganization structure)*).

The proposed reorganization will alter the corporate structure of Applicant but will not change the ultimate control or ownership interest that Applicant’s policyholders currently maintain. The policyholder members of Applicant on the effective date of the reorganization will become members of FMH Mutual Holding Company with membership rights therein, while their policy rights will remain obligations of Farmers Mutual Hail Insurance Company, SI (*Ex. 6, Limited Plan of Reorganization, p. 2*). Future policyholders of Farmers Mutual Hail Insurance Company, SI after the reorganization will become policyholder members of FMH Mutual Holding Company. *Id.*

Since the Applicant has proposed a limited reorganization and no stock will be sold to the public at this time, the reorganization will not result in any change to the financial condition of Applicant. (*Ex. 6, Limited Plan of Reorganization*). No changes will be made to insurance policies. (*Ex. B, Limited Plan of Reorganization*). The reorganization will not result in any changes to the Board of Directors or executive officers of Applicant. (*Ex. 6, Plan of Reorganization, ¶ 9*).

On January 12, 2026, the Applicant held a Special Meeting of its members. (*Ex. 17, Affidavit of Curtis Swain; Tr. at 13-14; Ex. 2, Notice of Special Meeting*). With a quorum of policyholders present, the Limited Plan of Reorganization of the Applicant was approved by a vote of the policyholders, with 2,004 policyholders voting “in favor” and 177 policyholders voting “opposed”. *Ex. 17*.

In support of its application, the Applicant offered seventeen exhibits and an index pursuant to Iowa Administrative Code rule 191—46.3(2) “i.”

- Ex. 1: Letter to members from the Board of Directors
- Ex. 2: Notice of Special Meeting
- Ex. 3: Notice of Hearing
- Ex. 4: Proxy Card

- Ex. 5: Member Information Statement
- Ex. 6: Limited Plan of Reorganization
- Ex. 7: Form A Statement regarding Reorganization of a Domestic Insurer
- Ex. 8: Limited Application by a Domestic Mutual Insurance Company for Reorganization
- Ex. 9: FMH Mutual Holding Company Articles of Incorporation
- Ex. 10: FMH Mutual Holding Company Bylaws
- Ex. 11: Farmers Mutual Hail Insurance Company, SI Restated Articles of Incorporation
- Ex. 12: Farmers Mutual Hail Insurance Company, SI Restated Bylaws
- Ex. 13: FMH Insurance Holdings, Inc. Articles of Incorporation
- Ex. 14: FMH Insurance Holdings, Inc. Bylaws
- Ex. 15: FMH General Holdings, Inc. Articles of Incorporation
- Ex. 16: FMH General Holdings, Inc. Bylaws
- Ex. 17: Affidavit of Member Approval

Exhibits 1 through 17 were received into the record. (*Tr. at 13*).

The Applicant also presented two witnesses at the public hearing, Curtis Swain and Darin Roggenburg, who were authorized to speak on behalf of the Applicant. (*Tr. at 10*). Mr. Swain has been employed by the Applicant for fourteen years and is currently the Executive Vice President, General Counsel and a Director of the Applicant. (*Tr. at 14:7-10*). Mr. Swain described the steps required to complete the reorganization . (*Tr. at 11-12*). The subject of reorganizing as a mutual holding company was discussed in multiple board meetings throughout calendar years 2024 and 2025. At these meetings, the advantages and disadvantages of the proposal were discussed. Ultimately, the Board of Directors determined that reorganization would be in the best interest of the policyholders and the Applicant. (*Tr. at 16-17*). Applicant has discussed the transaction with rating agencies and they have responded favorably to the proposed reorganization. (*Tr. at 28*).

Mr. Roggenburg has worked in the insurance industry for thirty-nine years and is currently the Executive Vice President, Chief Financial Officer, Treasurer, and a Director for Applicant. (*Tr. at 22-23*). Mr. Roggenburg testified that the insurance business is capital intensive an, an insurer must increase its capital base in order to be competitive, grow, and serve its policyholders. (*Tr. at 34*). A mutual insurance company can only acquire additional capital through earnings, sales of surplus notes, or the sale of stock of subsidiaries. (*Tr. at 35*). Historically, the earnings or profits from the business are uncertain and of a cyclical nature, making it difficult to plan future growth or serve policyholders. *Id.* The mutual holding company structure will enhance the

Applicant's ability to acquire and grow ancillary or non-insurance subsidiaries and will provide more flexibility to engage in merger or acquisition activity, if appropriate candidates are identified for this purpose. (*Tr. at 35-36*). The mutual holding company structure will also provide additional flexibility for managing and potentially restructuring ownership of subsidiary companies to achieve operating efficiencies and pursue product expansion and other types of expansion. (*Tr. at 36*).

IV. CONCLUSIONS OF LAW

The legislature has vested discretion in the Commissioner to hold hearings, make factual findings, and interpret and apply the law. Iowa Code §§ 505.8(3); 521A.14(a).

Iowa Code section 521A.14(1)(a) permits the Commissioner to approve an application for reorganization as an insurance holding company based on a mutual plan if, after a public hearing, the applicant meets the requirements listed within that section. Iowa Administrative Code rule 191—46.5 further permits the Commissioner to approve such application if, in addition to the requirements set forth in the Iowa Code, the requirements for a plan of reorganization set forth in rule 191—46.4 have been met.

The Applicant proposes the creation of a mutual insurance holding company, FMH Mutual Holding Company, which in turn will wholly own a reorganized stock insurance company subsidiary, Farmers Mutual Hail Insurance Company, SI. Additionally, two additional intermediate holding companies will be created that will be wholly owned by the mutual insurance holding company. (*Ex. 8, Limited Plan of Reorganization*).

Iowa Code section 521A.14(1)(a) authorizes this corporate structure upon a showing by an applicant that (1) the interests of the policyholders are properly protected under the reorganization plan; and (2) the plan of reorganization is fair and equitable to the policyholders.

In addition, Iowa Administrative Code rule 191—46.4 provides that the plan of reorganization must demonstrate to the Commissioner that: (1) policyholder interests are properly preserved and protected; (2) the plan of reorganization is fair and equitable to the policyholders; and (3) the financial condition of the applicant will not be diminished by the reorganization.

If an applicant establishes that its application for reorganization meets these statutory and regulatory requirements, the Commissioner may approve the proposed plan and may require as a condition of approval such modifications of the proposed plan of reorganization as the Commissioner finds necessary for the protection of policyholder interests. 191 Iowa Admin. Code r. 46.5(2).

Based upon the evidence in the record viewed as a whole, the Commissioner finds as follows.

1. After the reorganization as a mutual holding company, the interests of Applicant's policyholders will be properly preserved and protected.

Applicant demonstrated that there would be no material change to the current rights of the policyholders under the plan of reorganization. (*Tr. at 20*). The policyholder members of

Applicant on the effective date of the reorganization will become members of FMH Mutual Holding Company with membership rights therein, while their policy rights will remain obligations of FMH Mutual Holding Company. (*Ex. 6, Plan of Reorganization, p. 2; Ex. 12, By-Laws of FMH Mutual Holding Company, Article IV*). Future policyholders of Farmers Mutual Hail Insurance Company, SI after the reorganization will become policyholder members of FMH Mutual Holding Company. (*Ex. 8, Limited Application, p. 2*). Therefore, the proposed reorganization alters the corporate structure of Applicant but does not change the ultimate control or ownership interest that Applicant's policyholders currently maintain.

No changes will be made to existing insurance policies. (*Ex. 6, Plan of Reorganization*). The reorganization will not result in any changes to the Board of Directors or executive officers of Applicant. *Id.*

Overall, the plan of reorganization offers reasonable and appropriate protection for policyholders. Nothing in the record supports a finding that the proposed reorganization is adverse to Applicant's policyholders' interests. The Commissioner finds that these interests will be properly preserved and protected following the reorganization.

2. The plan of reorganization as a mutual holding company is fair and equitable to the policyholders.

After the proposed reorganization, Applicant's policyholders will indirectly own, through their 100 percent ownership of FMH Mutual Holding Company, 100 percent of Farmers Mutual Hail Insurance Company, SI stock. (*Ex. 6, Plan of Reorganization, ¶¶ 3, 4; Ex. 7, Form A Statement*). As stated above, Applicant's proposed plan of reorganization (1) maintains the status of Applicant's policyholders as of the effective date of the reorganization as members of FMH Mutual Holding Company and will not result in changes to their policy rights, (2) provides that future policyholders of Farmers Mutual Hail Insurance Company, SI will become members of FMH Mutual Holding Company, and (3) maintains Applicant's ability to service and pay policyholder claims and benefits. (*Ex. 6, Plan of Reorganization; Ex. 10, Article IV*).

If the Board of Directors of FMH Mutual Holding Company determines that the accumulation of earnings is in excess of that which it deems necessary, the Board of Directors may cause all or a part of such excess to be returned to its members, or it may waive any dividends or distributions from the reorganized insurance company on the condition that such amounts will be applied for the benefit of policyholders. (*Ex. 6, Plan of Reorganization*).

In the event of the dissolution, liquidation, or winding up of FMH Mutual Holding Company, any assets of FMH Mutual Holding Company remaining after payment of all liabilities shall be distributed to the policyholders. Iowa Code § 521A.14(4). The Iowa Code further provides that assets of a mutual insurance holding company are subject to policyholder claims in the event of the reorganized insurer's insolvency or liquidation.

The Commissioner finds that the plan of reorganization is fair and equitable to the policyholders.

3. The financial condition of Applicant will not be diminished by the reorganization.

After the proposed reorganization, Farmers Mutual Hail Insurance Company, SI would issue 1,000 shares of stock to FMH Mutual Holding Company. (*Ex. 8, Limited Application, ¶ 9*). FMH Mutual Holdings, Inc. and FMH General Holdings, Inc., would each issue 1,000 shares common stock directly to FMH Mutual Holding Company. *Id.* The stock issued in these transactions will encompass all of the shares outstanding. *Id.* The Applicant has provided a balance sheet and stated that there are no anticipated changes in the financial condition of the Applicant as a result of the reorganization. (*Ex. 5, Members Information Statement, Section VI: Summary of Financial Condition*). The plan of reorganization permits the sale of stock only with further prior approval of the Iowa Insurance Commissioner and the policyholders. (*Ex. B, Plan of Reorganization, ¶ 6*). The Applicant has no current plans to issue stock. (*Tr. at X*).

If the Mutual Holding Company elects in the future to issue shares of stock of the intermediate holding companies (which it is not seeking to do at this time) Applicant acknowledges that the makeup of the Board of Directors would need to be modified to comply with Iowa law. (*Ex. 8, ¶ 7*). Specifically, Iowa regulatory rules require that a stock offering by (1) a mutual insurance holding company, (2) an insurance company subsidiary of a mutual insurance holding company, (3) an intermediate holding company subsidiary of a mutual insurance holding company, or (4) an insurance company subsidiary of an intermediate holding company subsidiary to a mutual insurance holding company may not occur unless a majority of the board of directors are not interested persons of the mutual insurance holding company or of an affiliated person of such company. 191 Iowa Admin. Code r. 46.10(3)(b). Applicant's board does not satisfy this rule at the time of this Order. (*Ex. 5, p. 14*).

Since the Applicant has proposed a limited reorganization and no stock will be sold to the public at this time, and the proposed reorganization does not result in any funds being transferred into or out of Farmers Mutual Hail Insurance Company or Farmers Mutual Hail Insurance Company, SI, the reorganization will not result in any change to the financial condition of Applicant. (*Ex. 6, Plan of Reorganization; Tr. at 32*).

Nothing in the record supports a finding that the proposed reorganization will diminish Applicant's financial condition. As such, the Commissioner finds that the financial condition of Applicant will not be diminished by the proposed reorganization.

4. The Plan of Reorganization satisfies the standards in Iowa Code chapter 521A.

After careful review of all evidence submitted, the Commissioner concludes, based upon substantial evidence, that the Applicant has demonstrated all requirements set forth in, and required by, Iowa Code section 521A.14(1)(a) and Iowa Administrative Code rule 191—46.4. None of these standards are violated by Applicant's proposed reorganization. As such, the Applicant's proposed reorganization into a mutual insurance holding company should be approved.

ORDER

IT IS THEREFORE ORDERED that:

Farmers Mutual Hail Insurance Company of Iowa's limited application for approval of a plan to reorganize is **APPROVED**.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A. Any action challenging the Order shall comply with the requirements of Iowa Code Chapter 17A.

Any application for rehearing shall comply with the requirements of Iowa Code Chapter 17A.

DATED this 4 day of February, 2026.



DOUGLAS M. OMMEN
Commissioner of Insurance

Copies to:

Curtis Swain and Darrin Roggenburg, Farmers Mutual Hail Insurance Company
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