



**EXAMINATION REPORT
OF**

**FFVA MUTUAL INSURANCE CO.
Maitland, Florida**

NAIC Company Code: 10385

**as of
December 31, 2023**

**By
The Florida Office of Insurance Regulation**

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	-
SCOPE OF EXAMINATION.....	1
SUMMARY OF SIGNIFICANT FINDINGS	2
CURRENT EXAMINATION FINDINGS	2
PREVIOUS EXAMINATION FINDINGS	2
COMPANY HISTORY	2
GENERAL	2
DIVIDENDS	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS.....	2
SURPLUS NOTES	3
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS	3
MANAGEMENT AND CONTROL.....	3
CORPORATE GOVERNANCE	3
HOLDING COMPANY SYSTEM	5
ACCOUNTS AND RECORDS	7
TERRITORY AND PLAN OF OPERATIONS.....	7
REINSURANCE.....	7
REINSURANCE ASSUMED.....	8
REINSURANCE CEDED.....	8
FINANCIAL STATEMENTS.....	9
ASSETS.....	10
LIABILITIES, SURPLUS AND OTHER FUNDS	11
STATEMENT OF INCOME	12
RECONCILIATION OF CAPITAL AND SURPLUS.....	13
COMMENTS ON FINANCIAL STATEMENT ITEMS	14
CAPITAL AND SURPLUS	14
CONCLUSION.....	15

March 6, 2025

Michael Yaworsky
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2023, of the financial condition and corporate affairs of

FFVA Mutual Insurance Co.
800 Trafalgar Court, Suite 200
Maitland, Florida 32751

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

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2019 through December 31, 2023, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on April 17, 2024. The fieldwork concluded as of March 6, 2025. The Company’s last full scope exam by representatives of the Office covered the period of January 1, 2015 through December 31, 2018.

The examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

The examination was on Florida domestics only and did not involve participation from other states. The Company has business or licenses in multiple states.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with the NAIC Statements of Statutory Accounting Principles (“SSAP”).

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

SUMMARY OF SIGNIFICANT FINDINGS

Current Examination Findings

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

Previous Examination Findings

The examination did not contain any examination findings.

COMPANY HISTORY

General

The Company commenced business on August 21, 1956, as a self-insurer's fund providing workers' compensation coverage for the agricultural community and association members in Florida with the name Florida Fruit and Vegetable Association Self Insurers Fund. On September 1, 1996, the Company converted from a self-insurer's fund to a domestic non-assessable mutual insurance company with a new name, FFVA Mutual Insurance Co. Concurrent with this conversion, the Company began reporting to the Office.

Dividends

During the examination period, the Company declared and paid dividends to its policyholders in the amounts of:

<u>Year</u>	<u>Amount</u>
2023	\$ 11,786,715
2022	\$ 10,990,876
2021	\$ 10,721,578
2020	\$ 11,181,605
2019	\$ 12,088,948

Capital Stock and Capital Contributions

The Company converted to a non-assessable mutual insurance company on September 1, 1996, and therefore has not issued any capital stock.

Surplus Notes

The Company issued a floating rate Surplus Note (“Note”) of \$12 million on May 22, 2003, to INCapS Funding I, Ltd, with Wilmington Trust Company serving as the indentured trustee. Payments of principal and interest on the Note required prior approval from the Office and are subordinate to the settlement of all policyholder claims and senior indebtedness. The Note had a final maturity date of May 23, 2033. Interest paid from inception until December 31, 2018, totaled slightly more than \$10.6 million. The Office approved principal payments of \$3 million in 2018 and \$6 million in 2017. On November 25, 2019, the Company paid the remaining \$3 million balance on the Note.

Acquisitions, Mergers, Disposals, Dissolutions

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

MANAGEMENT AND CONTROL

Corporate Governance

The annual policyholder meeting for the election of Directors was held in accordance with Section 628.231, Florida Statutes. Directors serving as of December 31, 2023, are shown below:

Directors		
Name	City, State	Principal Occupation, Company Name
Leslie Woodrow Dunson III ^(a)	Winter Haven, FL	President, Dunson Harvesting, Inc.
Glenn Roy Rogers	Zellwood, FL	President, Zellwin Farms Co.
Juan David Castro-Anzola	Orlando, FL	Vice President, PGIM Real Estate
Linda Wagner Farrell	Jacksonville, FL	Partner, Boyd & Jenerette, P.A.
Peter Stuart Harlee, Jr.	Palmetto, FL	Manager Member, P & M Group LLC
Alan Ernest Hair	Maitland, FL	President, CEO FFVA Mutual Insurance Co.
James Walter Warmus	Maitland, FL	Owner, Caribbean Resort Management Co. Inc.

Morgan Henderson Roe	Winter Haven, FL	Business Consultant, 9R Enterprises, LLC
Michael Joseph Stuart	Maitland, FL	Former President, Florida Fruit & Vegetable Association
Aaron David Troyer	Fort Myers, FL	President, Troyer Brothers FL, Inc.
Alonzo Williams, Jr.	Flower Mound, FL	Vice President, Stellar One Consulting

(a) Chairman

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

Senior Officers		
Name	City, State	Title
Alan E. Hair	Maitland, FL	President / CEO
Halston C. Fernandez	Maitland, FL	Secretary / VP, Finance & Accounting
Robert A. Lehnen	Maitland, FL	Treasurer / VP, Underwriting

The Company's Board appointed several internal committees. The following were the principal internal board committees and their members as of December 31, 2023. The first person listed for each committee is the chairman.

Executive Committee		
Leslie W. Dunson, III	Glenn R. Rogers	Alan E. Hair
	James W. Warmus	

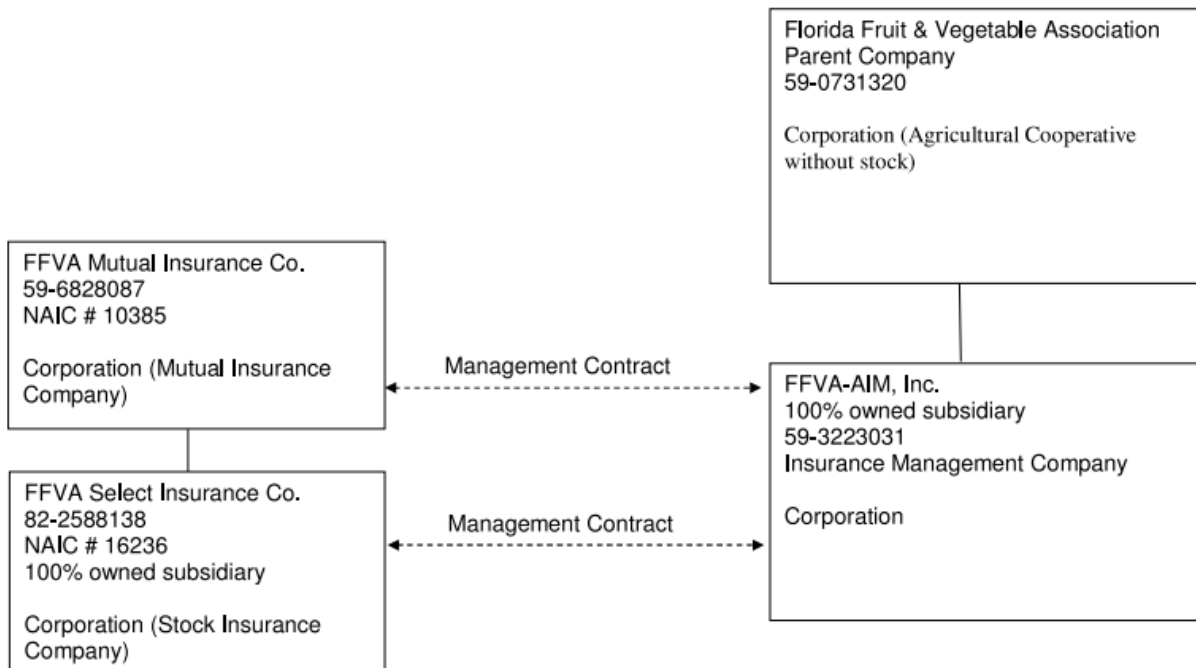
The Company maintained an audit committee, as required by Section 624.424(8)(c), Florida Statutes.

Audit Committee		
Leslie W. Dunson III	Glenn R. Rogers	Juan Castro-Anzola
Linda W. Farrell	Peter S. Harlee, Jr.	Alan E. Hair
James W. Warmus	Morgan H. Roe	Michael J. Stuart
Aaron D. Troyer	Alonzo Williams, Jr.	

Holding Company System

A simplified organizational chart as of December 31, 2023, reflecting the holding company system, is shown below. Schedule Y of the Company's 2023 annual statement provided a list of all related companies of the holding company group.

FFVA Mutual Insurance Co. Organizational Chart December 31, 2023



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

Management Contract Agreement

The Company is party to a Management Agreement with FFVA-AIM, Inc. ("AIM"), effective January 1, 1996. As detailed in the agreement, AIM is solely responsible for managing and administering the affairs of the Company. This includes, but is not limited to, marketing, underwriting, billing, collection, claims administration, termination and reinstatement of members, safety and loss prevention, excess insurance, the issuance of evidence of coverage, accounting, regulatory reporting, investments, auditing, budgeting, and general administration. The Company is under common control with AIM as defined in Section 624.10, Florida Statutes, and AIM is classified as an affiliate of the Company.

Medical Management and Cost Containment Agreement

The Company is party to a Medical Management and Cost Containment Agreement ("MMCCA") with AIM under AIM's doing business as ("dba") name of Innovative Risk Consulting ("IRC") effective June 21, 2017. According to the MMCCA, IRC provides for the management of medical costs through the provision of precertification, utilization review, bill review, and other cost containment services as defined in the MMCCA. IRC provides managerial expertise and other specified administrative functions, including the negotiation of a preferred provider network contract.

Cost Sharing Agreement

The Company entered into a Cost Sharing Agreement ("CSA") with its subsidiary, FFVA Select Insurance Company (FFVA Select), effective August 25, 2017. Each company performs certain services on behalf of the other, and each Company shares office facilities, personnel, furniture, equipment, computer hardware and software, and other property and assets. The CSA allows for the allocation of expenses paid by one entity on behalf of the other.

100% Quota Share Reinsurance Agreement

The Company entered into a 100% Quota Share Reinsurance Agreement with its subsidiary, FFVA Select, effective October 26, 2017. FFVA Mutual agrees to reinsure the gross liability of FFVA Select.

ACCOUNTS AND RECORDS

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

TERRITORY AND PLAN OF OPERATIONS

The Company was authorized to transact insurance in the following states:

Alabama	Mississippi	Kentucky
Florida	North Carolina	Virginia
Georgia	South Carolina	Tennessee
Indiana		

The Company was authorized to transact insurance in Florida on August 21, 1956, and was authorized for the following lines of business in Florida as of December 31, 2023:

- Workers Compensation

The Company primarily writes Workers Compensation policies in the State of Florida but does write small amounts of business in the states it is licensed in.

REINSURANCE

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

Reinsurance Assumed

As of December 31, 2023, the Company was party to a 100% quota share agreement with its subsidiary FFVA Select. Under the terms of the agreement, the Company assumed 100% of premiums and all claims and claim adjustment expenses from FFVA Select.

Reinsurance Ceded

As of December 31, 2023, the Company was party to two excess of loss reinsurance treaties.

Excess of Loss Reinsurance

The Company was party to a multi-layer workers' compensation excess of loss reinsurance contract. Each layer specified a retention amount for the Company and a corresponding coverage limit provided by the reinsurers per accident.

Catastrophe Excess of Loss Reinsurance

The Company was a party to a workers' compensation catastrophe excess of loss reinsurance treaty. Under the treaty the reinsurer will be liable for the ultimate net loss in excess of \$15 million as a result of each accident and no more than \$30 million as respects to all accidents.

FINANCIAL STATEMENTS

The following includes the Company's statutory Statement of Assets, Liabilities, Surplus and Other Funds; statutory Statement of Income and the statutory Analysis of Changes in Surplus for the year ended December 31, 2023. The financial statements are based on the statutory financial statements filed by the Company with the Florida Office of Insurance Regulation and present the financial condition of the Company for the period ending December 31, 2023. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

FFVA Mutual Insurance Co.
Assets
December 31, 2023

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	208,075,623		208,075,623
Stocks			
Preferred stocks	8,205,800		8,205,800
Common stocks	56,637,701		56,637,701
Cash and short-term investments	10,806,766		10,806,766
Other invested assets	1,532,130		1,532,130
Receivables for securities	18,533		18,533
Subtotals, cash and invested assets	285,276,553		285,276,533
Investment income due and accrued	1,280,263		1,280,263
Uncollected premiums and agents' balances	1,848,519	666,330	1,182,189
Deferred premiums, agents' balances and installments	32,283,898		32,283,898
Accrued retrospective premiums	564,053	7,751	556,302
Reinsurance			
Amounts recoverable from reinsurers	(28,054)		(28,054)
Current federal and foreign income taxes recoverable and interest thereon	724,040		724,040
Net deferred tax asset	1,866,141		1,866,141
Electronic data processing equipment and software	2,922,376	2,922,376	0
Receivable from parent, subsidiaries and affiliates	69,219		69,219
Aggregate write-in for other than invested assets	13,792,326	864,974	12,927,352
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	340,599,334	4,461,431	336,137,903
Total	340,599,334	4,461,431	336,137,903

FFVA Mutual Insurance Co.
Liabilities, Surplus and Other Funds
December 31, 2023

	Per Company
Losses	73,778,389
Loss adjustment expenses	16,375,837
Commissions payable, contingent commissions and other similar charges	4,425,213
Other expenses	955,397
Taxes, licenses and fees	439,469
Unearned premiums	32,301,169
Advance premiums	885,853
Dividends declared and unpaid	
Policyholders	502,449
Ceded reinsurance premiums payable	166,075
Amounts withheld or retained by company for account of others	930,303
Provision for reinsurance	4,000
Payable for securities	94,189
Total liabilities excluding protected cell liabilities	130,858,343
Total liabilities	130,858,343
Unassigned funds (surplus)	205,279,560
Surplus as regards policyholders	205,279,560
Totals	336,137,903

FFVA Mutual Insurance Co.
Statement of Income
December 31, 2023

	Per Company
Underwriting Income	
Premiums earned	94,713,439
Deductions	
Losses Incurred	40,794,660
Loss adjustment expenses incurred	16,442,338
Other underwriting expenses incurred	30,033,500
Total Underwriting deductions	87,270,498
Net underwriting gain (loss)	7,442,941
Investment Income	
Net investment income earned	7,300,250
Net realized capital gains or (losses)	721,348
Net investment gain or (loss)	8,021,598
Other Income	
Net gain or (loss) from agents' or premium balances charged off	(105,560)
Aggregate write-ins for miscellaneous income	1,131,576
Total other income	1,026,016
Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	16,490,555
Dividends to policyholders	11,786,715
Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	4,703,840
Federal & foreign income taxes incurred	(444,172)
Net Income	5,148,012
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	195,602,787
Net Income	5,148,012
Change in net unrealized capital gains or losses less capital gains tax	4,543,448
Change in net deferred income taxes	(854,535)
Change in non-admitted assets	786,848
Change in provision for reinsurance	53,000
Change in surplus as regards policyholders for the year	9,676,773
Surplus as regards policyholders, December 31, current year	205,279,560

FFVA Mutual Insurance Co.
Reconciliation of Capital and Surplus
December 31, 2023

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

Capital/Surplus Change during Examination Period			
Surplus at December 31, 2018, per Company			161,835,236
	Increase	Decrease	
Net Income	40,835,283		
Change in net unrealized capital gains	7,852,835		
Change in net deferred income tax		467,757	
Change in non-admitted assets		1,903,437	
Change in provision for reinsurance	127,400		
Change in surplus notes		3,000,000	
Net increase (or decrease)			43,444,324
Surplus at December 31, 2023 per Company			205,279,560

COMMENTS ON FINANCIAL STATEMENT ITEMS

Capital and Surplus

The amount of capital and surplus reported by the Company of \$205,279,560, exceeded the minimum surplus of \$8,998,815 as required by Section 624.408, Florida Statutes.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of FFVA Mutual Insurance Co. as of December 31, 2023, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following individuals from Baker Tilly, US, LLP and the Florida Office of Insurance Regulation participated in the examination:

Juliana De Leon	Participating Examiner	Baker Tilly, US, LLP
Daniel Ward	Participating Examiner	Baker Tilly, US, LLP
Greg Wilson, FCAS, MAAA	Actuarial Examination Supervisor	Baker Tilly, US, LLP
Valerie Hanley	Participating Actuary	Baker Tilly, US, LLP
Dave Wolfe, ACAS, MAAA	Actuarial Examination Manager	Baker Tilly, US, LLP
Nathan Bolles	Actuarial Participating Examiner	Baker Tilly, US, LLP
Dennis Schaefer, CISSP, CISA	IT Examination Supervisor	Baker Tilly, US, LLP
Ayo Ogunwale, CISA, CSM	IT Examination Manager	Baker Tilly, US, LLP
Bobby Jackson, CPA, APIR	Examination Supervisor	Office
Casey Hengstebeck, APIR	Participating Examiner	Office

Respectfully submitted,



Jessie L. Adamson, CFE, CISA
Examiner-in-Charge
Baker Tilly, US, LLP
Representing the Florida Office of Insurance Regulation



Chad Mason, PIR
Chief Financial Examiner
Property & Casualty/Life & Health Financial Oversight
Florida Office of Insurance Regulation