



MISSISSIPPI INSURANCE DEPARTMENT

MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of Insurance

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June 30, 2025

CERTIFIED MAIL RETURN RECEIPT REQUESTED

**Mr. Russell Wayne Boening, President
Southern Farm Bureau Life Insurance Company
1401 Livingston Lane
Jackson, MS 39213**

RE: Report of Examination as of December 31, 2023

Dear Mr. Boening:

In accordance with Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), an examination of your Company has been completed. Enclosed herewith is a copy of the Order adopting the report and a copy of the final report as adopted.


Pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011), the Mississippi Department of Insurance shall continue to hold the content of said report as private and confidential for a period of ten (10) days from the date of the Order. After the expiration of the aforementioned 10-day period, the Department of Insurance will open the report for public inspection.

If you have any questions or comments, please feel free to contact me.

Sincerely,

MIKE CHANEY
COMMISSIONER OF INSURANCE

BY


Christina J. Kelsey
Senior Attorney

MC/CJK/de
Encls. Order w/exhibit

**BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF MISSISSIPPI**

**IN RE: REPORT OF EXAMINATION OF SOUTHERN
FARM BUREAU LIFE INSURANCE COMPANY**

CAUSE NO. 25-8027

ORDER

THIS CAUSE came on for consideration before the Commissioner of Insurance of the State of Mississippi ("Commissioner"), or his designated appointee, in the Offices of the Commissioner, 1001 Woolfolk Building, 501 North West Street, 10th Floor, Jackson, Hinds County, Mississippi, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011). The Commissioner, having fully considered and reviewed the Report of Examination together with any submissions or rebuttals and any relevant portions of the examiner's work papers, makes the following findings of fact and conclusions of law, to-wit:

JURISDICTION

I.

That the Commissioner has jurisdiction over this matter pursuant to the provisions of Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011).

II.

That Southern Farm Bureau Life Insurance Company is a Mississippi-domiciled company licensed to write Accident and Health; Life; and Variable Contracts coverages.

FINDINGS OF FACT

III.

That the Commissioner, or his appointee, pursuant to Miss. Code Ann. § 83-5-201 et seq. (Rev. 2011), called for an examination of Southern Farm Bureau Life Insurance Company and appointed R. Dale Miller, Examiner-In-Charge, to conduct said examination.

IV.

On or about June 4, 2025, the draft Report of Examination concerning Southern Farm Bureau Life Insurance Company for the period of January 1, 2019, through December 31, 2023, was submitted to the Department by the Examiner-In-Charge, R. Dale Miller.

V.

That on or about June 6, 2025, pursuant to Miss. Code Ann. § 83-5-209(2) (Rev. 2011), the Department forwarded to the Company a copy of the draft report and allowed the Company a 15-day period to submit any rebuttal to the draft report. The Company responded to the draft by email on or about June 12, 2025.

CONCLUSIONS OF LAW

VI.

The Commissioner, pursuant to Miss. Code Ann. § 83-5-209(3) (Rev. 2011), must consider and review the report along with any submissions or rebuttals and all relevant portions of examiner work papers and enter an Order: (1) adopting the Report of Examination as final or with modifications or corrections; (2) rejecting the Report of Examination with directions to reopen; or (3) calling for an investigatory hearing.

IT IS, THEREFORE, ORDERED, after reviewing the Report of Examination and all relevant examiner work papers, that the Report of Examination of Southern Farm Bureau Life Insurance Company, attached hereto as Exhibit "A", should be and same is hereby adopted as final.

IT IS FURTHER ORDERED that a copy of the adopted Report of Examination, accompanied with this Order, shall be served upon the Company by certified mail, postage pre-paid, return receipt requested.

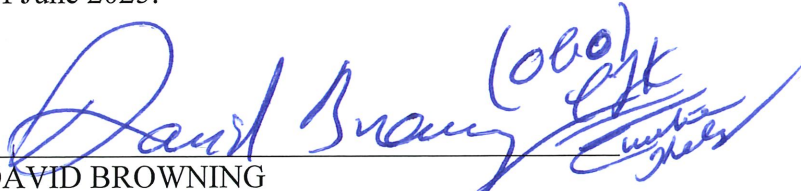
IT IS FURTHER ORDERED that the Mississippi Department of Insurance shall continue to hold the content of this report as private and confidential information for a period of ten (10) days from the date of this Order, pursuant to Miss. Code Ann. § 83-5-209(6)(a) (Rev. 2011).

IT IS FURTHER ORDERED, pursuant to Miss. Code Ann. § 83-5-209(4) (Rev. 2011), that within thirty (30) days of the issuance of the adopted report, Southern Farm Bureau Life Insurance Company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

IT IS FURTHER ORDERED that Southern Farm Bureau Life Insurance Company take the necessary actions and implement the necessary procedures to ensure that all recommendations contained in the Report of Examination are properly and promptly complied with.

SO ORDERED, this the 30th day of June 2025.

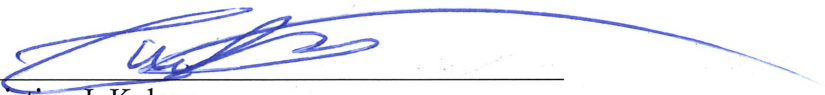



DAVID BROWNING
DEPUTY COMMISSIONER OF INSURANCE
STATE OF MISSISSIPPI

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the above and foregoing Order and a copy of the final Report of Examination, as adopted by the Mississippi Department of Insurance, was sent by certified mail, postage pre-paid, return receipt requested, on this the 30th day of June 2025, to:

Mr. Russell Wayne Boening, President
Southern Farm Bureau Life Insurance Company
1401 Livingston Lane
Jackson, MS 39213



Christina J. Kelsey
General Counseley

Christina J. Kelsey
General Counsel
Counsel for the Mississippi Department of Insurance
Post Office Box 79
Jackson, MS 39205-0079
(601) 359-3577
Miss. Bar No. 9853



Mississippi Insurance Department

Report of Examination

of

**SOUTHERN FARM BUREAU LIFE INSURANCE
COMPANY**

as of

December 31, 2023

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**EXAMINER'S AFFIDAVIT AS TO STANDARDS AND
PROCEDURES USED IN AN EXAMINATION**

State of Mississippi,

County of Madison,

R. Dale Miller, being duly sworn, states as follows:

1. I have authority to represent the Mississippi Insurance Department in the examination of Southern Farm Bureau Life Insurance Company as of December 31, 2023.
2. The Mississippi Insurance Department is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.
3. I have reviewed the examination work papers and examination report, and the examination of Southern Farm Bureau Life Insurance Company was performed in a manner consistent with the standards and procedures required by the National Association of Insurance Commissioners and the Mississippi Insurance Department.

The affiant says nothing further.

R. Dale Miller

R. Dale Miller, CPA, CFE, CFF
Examiner-in-Charge

Subscribed and sworn before me by R. Dale Miller on this 27th day of June, 2025.

(SEAL)

Wendy Smith
Notary Public

★ STATE OF MISSISSIPPI ★
WENDY SMITH, NOTARY PUBLIC
HINDS COUNTY
MY COMMISSION EXPIRES OCTOBER 27, 2028
COMMISSION NUMBER 118193

My commission expires October 27, 2028 [date].



MIKE CHANEY
Commissioner of Insurance
State Fire Marshal

DAVID BROWNING
Deputy Commissioner of
Insurance

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June 27, 2025

Honorable Mike Chaney
Commissioner of Insurance
Mississippi Insurance Department
1001 Woolfolk Building
501 North West Street
Jackson, Mississippi 39201

Dear Commissioner Chaney:

Pursuant to your instructions and authorization and in compliance with statutory provisions, an examination has been conducted, as of December 31, 2023, of the affairs and financial condition of:

SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY

1401 Livingston Lane
Jackson, MS 39213

License #	NAIC #	FEETS#	MATS#
7700438	68896	68896-MS-2023-3	MS-M099-66

This examination was commenced in accordance with Miss. Code Ann. §83-5-201 et seq. and was performed in Jackson, Mississippi, at the statutory home office of the Company. The report of examination is herewith submitted.

SCOPE OF EXAMINATION

We have performed our multi-state examination of Southern Farm Bureau Life Insurance Company (“Company” or “SFBLIC”). The last examination covered the period of January 1, 2014 through December 31, 2018. This examination covers the period January 1, 2019 through December 31, 2023.

We conducted our examination in accordance with the National Association of Insurance Commissioners (“NAIC”) *Financial Condition Examiners Handbook* (“Handbook”). The Handbook requires that we plan and perform the examination 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.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company’s financial statements.

This examination report includes significant findings of fact, as mentioned in the Miss. Code Ann. §83-5-201, and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

COMMENTS AND RECOMMENDATIONS OF PREVIOUS EXAMINATION

There were no comments and/or recommendations from the previous examination report.

HISTORY OF THE COMPANY

In 1946, the State Farm Bureau Federations in the states of Alabama, Arkansas, Kentucky, Mississippi, and Texas organized individual investment corporations for the sole purpose of organizing the Company. On October 30, 1946, SFBLIC was incorporated under the laws of the State of Mississippi as a life insurance company, with business officially commencing on December 18, 1946. On July 15, 1947, those five State Farm Bureau Federations and their investment corporations entered into an Agreement and Declaration of Trust, which, among other provisions, contained certain restrictions on transfer of the capital stock of the Company.

In 1972 the Alabama Farm Bureau withdrew from the American Farm Bureau Federation and their stock was reacquired and cancelled. During 1973, the Company issued shares of its capital common stock to companies controlled by State Farm Bureau Federations in the states of Georgia, Louisiana, North Carolina, South Carolina, and Virginia. During 1984, Florida Farm Bureau Holding Company purchased shares of the Company's common stock. On March 17, 1994 and October 7, 1997, the Company disclaimed control by and affiliation with its shareholders and their parent companies pursuant to Miss. Code Ann. §83-6-17.

CORPORATE RECORDS

The minutes of the meetings of the stockholders and Board of Directors ("Board"), regarding the Company's business affairs as recorded during the period covered by the examination, were reviewed and appeared to be complete and in order with regard to recording action on matters brought up at the meetings for deliberation, which included the approval and support of the Company's transactions and events, as well as the review of its audit and examination report.

MANAGEMENT AND CONTROL

Stockholders

As of December 31, 2023, the Company had 20,000 shares of common capital stock authorized, of which 15,000 shares were outstanding with a par value of \$100 per share. The Company was owned by the Farm Bureau Investment Corporations in Arkansas, Kentucky, Mississippi, Texas, Louisiana, South Carolina, and North Carolina, and holding corporations in Virginia, Florida, and Georgia, which are controlled by the Farm Bureau Federation in each state respectively. Each shareholder owns 10% (1,500 shares). The Company paid dividends to its stockholders during the examination period of \$21,500,000, \$21,200,000, \$16,700,000, \$20,000,000 and \$15,000,000 for 2023, 2022, 2021, 2020 and 2019, respectively.

Board of Directors

The Articles of Incorporation and Bylaws vest the management and control of the Company's business affairs with the Board. The members of the duly elected Board, along with their place of residence, year elected/appointed, and principal occupation, at December 31, 2023, were as follows:

Name and Residence	Year Elected/Appointed	Principal Occupation
Russell Wayne Boening Floresville, Texas	2015	Farmer and President of Texas Farm Bureau

William Keistler Coleman Blair, South Carolina	2016	Farmer
Mark Alan Daniel Waco, Texas	2021	Farmer
Thomas Michael Freeze Little Rock, Arkansas	2020	Farmer
Donald Hubert Gant Merigold, Mississippi	2020	Farmer
Mark Edwin Haney Nancy, Kentucky	2006	Farmer and President of Kentucky Farm Bureau Federation
William Shawn Harding Raleigh, North Carolina	2020	Farmer and President of North Carolina Farm Bureau Federation
Jim Toney Harper Cheneyville, Louisiana	2009	Farmer
Richard Edward Hillman Carlisle, Arkansas	2009	Farmer and President of the Arkansas Farm Bureau Federation
Daniel Lee Johnson Alma, Georgia	2020	Farmer
Steve Allen Johnson Bowling Green, Florida	2021	Farmer
Thomas Allen McCall Elberton, Georgia	2021	Farmer and President of Georgia Farm Bureau Federation
David Michael McCormick Union Church, Mississippi	2015	Farmer and President of Mississippi Farm Bureau Federation
Eddie Alan Melton Sebree, Kentucky	2011	Farmer and President of Kentucky Farm Bureau Federation
Harry Legare Ott, Jr. Columbia, South Carolina	2016	Farmer and President of South Carolina Farm Bureau Federation
Wayne Franklin Pryor Goochland, VA	1999	Farmer and President of Virginia Farm Bureau Federation
Scott Everett Sink Blacksburg, Virginia	2017	Farmer
Jeb Scot Smith Hastings, Florida	2022	Pastor, Farmer and President of Florida Farm Bureau Federation
Malcolm Scott Whitford Grantsboro, North Carolina	2013	Farmer
Scott McDonald Wiggers, Jr. Winnsboro, Louisiana	2021	Farmer

Committees

During the period covered by this examination, the following Board committees were utilized by the Company to carry out certain specified duties: Audit Committee, Executive Committee, Compensation Committee, and Investment Committee. The committee minutes were reviewed and appeared to be in order, and the committees appeared to be provided appropriate oversight by the Board.

Audit Committee:

The Audit Committee's purpose is to review the report of the independent auditors, approve the independent auditors' report, pre-approve non-audit services from the Company's auditors, and approve auditors for the following years.

Compensation Committee:

The Compensation Committee's purpose is to review and recommend changes to the compensation program and the retirement program. They also provide recommendations to the Board for increases in officers' salaries.

Executive Committee:

The Executive Committee's purpose is to review, receive, and file the reports of the Executive Vice President & Chief Executive Officer, Marketing, Investment Committee, Policy Administration, and the review of the financial statements.

Investment Committee:

The Investment Committee is authorized by Section 2, Article V of the by-laws to buy and sell certain investments for and on behalf of the Company.

The following officers and directors served on the aforementioned committees at December 31, 2023.

Audit	Compensation
Russell Wayne Boening, Chairman	Wayne Franklin Pryor, Chairman
William Shawn Harding	Mark Edwin Haney
Jim Tony Harper	Richard Edward Hillman
David Michael McCormick	Thomas Allen McCall
Harry Legare Ott, Jr.	Jeb Scot Smith

Executive	Investment
Wayne Franklin Pryor, Chairman	David Brannon Hurt, Chairman
Russell Wayne Boening	Wayne Franklin Pryor, Ex Officio
Mark Edwin Haney	Horace Lusby Brown

William Shawn Harding	Charles Stanley Dickens
Jim Tony Harper	William Perry McGaugh, Jr
Richard Edward Hillman	Richard Parnell McKissack
Thomas Allen McCall	David Mark Simmonds
David Michael McCormick	William Henry Waldrop, III
Harry Legare Ott, Jr.	Jeremiah Ridley Wesson
Jeb Scot Smith	

Officers

Name	Number of Years with Company	Title
Wayne Franklin Pryor *	24	Chairman of the Board & President
Russell Wayne Boening *	8	First Vice President
David Brannan Hurt	23	Executive Vice President & CEO
Horace Lusby Brown	17	Senior Vice President, Chief Investment Officer
Charles Stanley Dickens	31	Senior Vice President, Chief Actuary
William Perry McGaugh, Jr.	37	Senior Vice President, General Counsel & Secretary
Richard Parnell McKissack	22	Senior Vice President, Chief Technology Officer
David Mark Simmonds	34	Senior Vice President, Chief Financial Officer
William Henry Waldrop III	15	Senior Vice President, Marketing
Jeremiah Ridley Wesson	19	Senior Vice President, Policy Administration
Nancy Case Baker	37	Vice President, Claims
Patricia Diane McConnell-Boyette	17	Vice President, Chief Compliance Officer
Dana Delbouno Bynum	32	Vice President, Internal Auditing
Jason Scott Cole	14	Vice President, Underwriting & New Business Admin
John Lowry Cross	4	Vice President, Medical Director
Zachary James Farmer	14	Vice President, Securities Management

Laura Moore Humphries	22	Vice President, Policy Services
Kimberly Reece Joiner	24	Vice President, Controller
William Harper Keeler	33	Vice President, Realty Investments
Catherine Prevost Martin	23	Vice President, Group Admin & Appointed Actuary
Joyce McEwen Plunkett	43	Vice President, Human Resources
Jeremy Daniel Quarles	9	Vice President, Products & Training
Douglas Edward Redman	27	Vice President, Pension Admin & Chief Risk Officer
Calvin Seals	37	Vice President, Corporate Data & Analytics
Dennis Lane Steed	20	Vice President, Information Technology
Jeffrey Allan Styres	22	Vice President, Legal & Assistant Secretary

** These two members also serve on the Company's Board. They are not part of Company management and are not compensated for their roles as officers. Their roles are strictly titular and are not engaged in the day-to-day operations of the Company.*

Conflict of Interest

The Company had formal procedures whereby disclosure was made to the Board of any material interest or affiliation on the part of any officer or director that was, or would likely be, a conflict with their official duties. These procedures were reviewed, and no conflicts or exceptions to the Company's policies were noted.

HOLDING COMPANY STRUCTURE

During the time period covered by this examination, SFB LIC was owned by entities controlled by the Farm Bureau Federations in the states of Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia. Each shareholder owns 10% of SFB LIC's outstanding stock. As previously mentioned, the Company disclaimed control by and affiliation with its shareholders and their parent companies pursuant to Miss. Code Ann. §83-6-17, which was filed by the Commissioner of Insurance for the State of Mississippi.

Related Party and Other Transactions

The Company had various agreements with the Farm Bureau Federations and Farm Bureaus located in counties of the states in which business was conducted. Substantially all of these transactions represented agency-related costs of operations. These agreements provided reimbursement for the cost of office space and clerical assistance, as well as the use of the Farm Bureau name and logo within the related territory. In 2023, fees paid under these agreements totaled \$31,204,338.

The Company entered into Sponsorship Agreements with each of the State Farm Bureaus of Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia. The agreements are renewed annually and call for annual payments of \$100,000 to each State Farm Bureau. The agreements provided the Company with the right to sponsor one or more mutually agreeable Farm Bureau events or programs. In 2023, fees paid under these agreements totaled \$1,000,000.

During the examination period, the Company also held affiliated Schedule BA assets. As of December 31, 2023, affiliated Schedule BA assets totaled \$58,504,449.

FIDELITY BOND AND OTHER INSURANCE

The Company maintained a comprehensive corporate insurance program. This program included commercial general liability and commercial property, as well as other policies, as deemed appropriate by the Company's management. The Company also maintained directors and officers coverage, professional liability coverage, cyber liability coverage, and fidelity coverage that, with its \$10 million single loss limit of liability, exceeded the NAIC's suggested minimum amount.

PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS

The Company provided a non-contributory defined benefit pension plan, a contributory defined contribution plan, a post-retirement benefit plan, and various other deferred compensation plans for its directors, officers, and employees. Obligations under such plans were recognized within the financial statements.

TERRITORY AND PLAN OF OPERATION

The Company is authorized to conduct ordinary life insurance business in the states of Alabama, Arkansas, Colorado, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. The Company markets a portfolio of traditional and interest-sensitive life insurance products and single and flexible premium deferred annuity contracts through joint operations with the ten property and casualty insurance companies that

represent the Farm Bureau Federations throughout its territorial region, as well as in the state of Colorado.

As of December 31, 2023, the Company was licensed in the Life, Accident and Health, and Variable Contracts lines of business in the State of Mississippi.

GROWTH OF COMPANY

The review of the growth of the Company was performed based on balances reported in the annual statements filed with the MID during the period under examination.

	In thousands				
	2023	2022	2021	2020	2019
Balance Sheet					
Total admitted assets, less separate accounts	\$ 16,099,529	\$ 15,769,530	\$ 15,720,646	\$ 15,180,862	\$ 14,720,897
Total liabilities, less separate accounts	\$ 12,839,942	\$ 12,644,596	\$ 12,646,343	\$ 12,318,531	\$ 11,999,218
Total capital and surplus	\$ 3,259,586	\$ 3,124,934	\$ 3,074,302	\$ 2,862,331	\$ 2,721,680
Cash Flow					
Net cash from operations	\$ 315,360	\$ 324,424	\$ 384,640	\$ 377,283	\$ 355,041
Risk-Based Capital Analysis					
Total adjusted capital	\$ 3,687,637	\$ 3,438,864	\$ 3,480,894	\$ 3,139,628	\$ 2,976,482
Authorized control level risk-based capital	\$ 277,151	\$ 265,559	\$ 252,407	\$ 205,822	\$ 193,434
Income Statement					
Net earned premium income	\$ 1,009,311	\$ 986,489	\$ 945,565	\$ 906,834	\$ 891,699
Net investment income	\$ 602,139	\$ 562,414	\$ 669,733	\$ 580,655	\$ 583,098
Capital gains & losses	\$ 10,766	\$ 1,761	\$ 15,425	\$ (35,968)	\$ 14,107
Net income	\$ 175,529	\$ 144,781	\$ 156,358	\$ 75,167	\$ 145,057
Net income/capital and surplus (ROE)	5.4%	4.6%	5.1%	2.6%	5.3%
Net premium & deps/capital and surplus	31.0%	31.6%	30.8%	31.7%	32.8%
Total benefits & exp/premium & deps	136.2%	135.4%	151.3%	149.4%	146.9%
Investment yield	3.9%	3.7%	4.5%	4.0%	4.2%
Non-inv grade bonds/total bonds	3.3%	4.4%	4.7%	5.7%	3.6%

MORTALITY AND LOSS EXPERIENCE

The MID contracted with Davies North America to review the actuarial analysis supporting the Company's carried aggregate reserves for life contracts, aggregate reserve for accident and health contracts, uncollected premiums and agent balances, deferred premiums, liability for deposit type contracts, contract claims, and advance premiums. No adjustments to the financial statements were made. The actuarial examination indicated that the Company generally followed accurate and appropriate procedures in determining its actuarial assets, reserves and liabilities.

REINSURANCE

In accordance with the Risk Surveillance Approach contained within the Handbook, the reinsurance program of the Company was considered and no material concerns were noted. Further, no treaties were noted that contained unusual provisions, transfer of risk issues or other relevant concerns. A general description and listing of the reinsurance agreements are presented below.

At December 31, 2023, reinsurance for newly issued business was with Hannover Life Reassurance Company of America (“Hannover”) and RGA Reinsurance Company (“RGA”). Hannover reinsured policies with surnames beginning with A-K. RGA reinsured policies with surnames beginning with L-Z. At December 31, 2023, the maximum ordinary life retention for new sales was \$750,000.

Issue Ages	Table A Standard	Tables B - F	Tables G and Above
0	200,000	100,000	75,000
1 to 65	750,000	600,000	300,000
Over 65	375,000	200,000	100,000

Minimum Cession \$100,000

At December 31, 2023, the reinsurers were automatically bound for 100% of the excess over the Company’s retention, up to the maximum amounts shown below:

Issue Ages	Table A Standard	Tables B - F	Tables G - P	Over Table P
0	600,000	300,000	225,000	Facultative
1 to 65	2,250,000	1,800,000	900,000	Facultative
66 to 70	1,125,000	600,000	300,000	Facultative
71 to 80	Facultative	Facultative	Facultative	Facultative

Heading Definitions:

- Ages – This represents the age of the insured
- Table – This represents the specific table used by the underwriting department of the Company when determining the appropriate premium. Table A represents standard risk factors, while tables B through P represent progressively higher risk factors.

Example – If the insured is between the ages of 1-65 and qualifies for a Table A rating, the Company will retain \$750,000 and any excess up to \$2,250,000 can be automatically reinsured. However, if the amount of excess is greater than \$2,250,000, underwriting papers must be submitted for facultative review and accepted by the reinsurance company to be binding.

The jumbo limit for SFB LIC's reinsurers was \$30,000,000 at December 31, 2023. If SFB LIC had a policy that was over this amount or anywhere close to it, the Company's policy is to contact the reinsurance company to be sure that they could handle the capacity. It would be up to the reinsurer to find a retrocessionaire to reinsure any excess. A reinsurer will accept more than \$30,000,000 at higher rates because they in turn have to retrocede the business.

A list of reinsurers with which SFB LIC has entered reinsurance agreements is as follows:

Federal ID #	Effective Date	Name of Company	Specifics
Accident & Health			
AA-9995056	1/1/1996	AMERICAN LTC REINSURANCE GROUP	80% Reinsured
48-0921045	1/1/2003	WESTPORT INS CORP	80% Reinsured
13-3126819	1/1/1986	SCOR	50% Reinsured
13-3126819	1/1/1995	SCOR	50% Reinsured
Catastrophe			
59-2859797	7/1/2007	HANNOVER	CAT/I
Life & Annuity			
13-3126819	1/1/1994	SCOR	Excess of Retention
13-3126819	1/1/2001	SCOR	Excess of Retention
13-3126819	1/1/2007	SCOR	Excess of Retention
13-3126819	5/1/2011	SCOR	Excess of Retention
59-2859797	11/1/2009	HANNOVER	Excess of Retention
59-2859797	5/1/2011	HANNOVER	Excess of Retention
59-2859797	1/1/2018	HANNOVER	Excess of Retention
23-2038295	1/1/1991	SCOTTISH RE (U.S.) INC	Excess of Retention
23-2038295	6/1/1985	SCOTTISH RE (U.S.) INC	Excess of Retention
42-0175020	6/7/1996	ATHENE ANNUITY & LIFE COMPANY	SWL 100% Reinsured
84-0499703	10/22/1982	SECURITY LIFE OF DENVER INS CO	Coinurance

84-0499703	6/1/1985	SECURITY LIFE OF DENVER INS CO	Excess of Retention
84-0499703	9/1/1987	SECURITY LIFE OF DENVER INS CO	Excess of Retention
84-0499703	3/1/2004	SECURITY LIFE OF DENVER INS CO	Excess of Retention
35-0472300	12/17/1946	LINCOLN NATL LIFE INS CO	Excess of Retention
35-0472300	6/1/1985	LINCOLN NATL LIFE INS CO	Excess of Retention
35-0472300	1/1/1988	LINCOLN NATL LIFE INS CO	Excess of Retention
35-0472300	1/1/1992	LINCOLN NATL LIFE INS CO	Excess of Retention
35-0472300	1/1/2001	LINCOLN NATL LIFE INS CO	Excess of Retention
58-0828824	1/1/2002	MUNICH AMER REASSUR CO	Excess of Retention
			Excess of Retention
58-0828824	1/1/2002	MUNICH AMER REASSUR CO	150,000 for Group
58-0828824	9/1/2004	MUNICH AMER REASSUR CO	Excess of Retention
58-0828824	1/1/2007	MUNICH AMER REASSUR CO	Excess of Retention
13-5582869	1/1/2003	NEW YORK LIFE INS CO	Coinsurance
43-1235868	1/1/1991	RGA	Coinsurance
43-1235868	1/1/1992	RGA	Excess of Retention
43-1235868	1/1/2001	RGA	Excess of Retention
43-1235868	1/1/2018	RGA	Excess of Retention
06-0839705	8/1/1951	SWISS RE LIFE & HEALTH AMERICA	Excess of Retention
06-0839705	6/1/1985	SWISS RE LIFE & HEALTH AMERICA	Excess of Retention
06-0839705	9/1/1987	SWISS RE LIFE & HEALTH AMERICA	Coinsurance
06-0839705	7/1/1987	SWISS RE LIFE & HEALTH AMERICA	Excess of Retention
06-0839705	10/22/1982	SWISS RE LIFE & HEALTH AMERICA	Coinsurance
06-0839705	6/1/1985	SWISS RE LIFE & HEALTH AMERICA	Excess of Retention
06-0839705	7/1/1980	SWISS RE LIFE & HEALTH AMERICA	Excess of Retention
			Excess of Retention
06-0839705	1/1/2012	SWISS RE LIFE & HEALTH AMERICA	150,000 for Group
06-0839705	1/1/2012	SWISS RE LIFE & HEALTH AMERICA	Excess of Retention
75-6020048	1/1/1988	SCOR	Excess of Retention

ACCOUNTS AND RECORDS

The Company's trial balance detail was traced to the December 31, 2023 annual statement filed with the MID. SFBLIC was audited annually by an independent CPA firm.

STATUTORY DEPOSITS

The Company's statutory deposits with the state of Mississippi complied with Miss. Code Ann. §83-19-31(2) and §83-7-21. The following chart displays the Company's total statutory deposits held by the various states as of December 31, 2023.

State Deposited	Carrying Value	Fair Value
Mississippi	\$5,309,274	\$5,123,344
Arkansas	152,119	140,391
Georgia	50,000	50,000
North Carolina	430,482	415,406
	<u>\$5,941,875</u>	<u>\$5,729,141</u>

SOUTHERN FARM BUREAU LIFE INSURANCE COMPANY
FINANCIAL STATEMENTS
EXAMINATION AS OF DECEMBER 31, 2023

Introduction

The following financial statements reflect the same amounts reported by the Company and consist of a Statement of Admitted Assets, Liabilities, Surplus and Other Funds, Summary of Operations and a Reconciliation of Capital and Surplus for the year ended December 31, 2023. The financial statements are based on the statutory financial statements filed by the Company with the MID and present the financial condition of the Company for the period ended December 31, 2023. Due to rounding, column amounts may not add to the totals reflected in this report.

Statement of Admitted Assets, Liabilities, Surplus and Other Funds

December 31, 2023

December 31	2023
Admitted Assets	
Bonds	\$ 10,445,444,509
Preferred stocks	35,407,975
Common stocks	832,445,266
Mortgage loans on real estate	2,072,686,676
Real estate occupied by the company	17,747,046
Real estate held for production of income	1,088,764
Cash, cash equivalents, and short term investments	166,610,145
Contract loans	609,441,017
Derivatives	132,420
Other invested assets	1,273,785,372
Receivables for securities	2,767,490
Investment income due and accrued	127,229,693
Uncollected premiums	9,081,475
Deferred premiums	356,656,947
Amounts recoverable from reinsurers	3,804,308
Net deferred tax asset	56,521,579
Guaranty funds receivable or on deposit	3,244,507
Electronic data processing equipment and software	3,633,886
Receivables from parents, subsidiaries and affiliates	575,851
Company owned life insurance	72,513,579
Admitted disallowed IMR	8,710,019
Separate account assets	8,320,609
Total admitted assets	\$ 16,107,849,133
Liabilities, Capital and Surplus	
Aggregate reserve for life contracts	\$ 10,959,553,788
Aggregate reserve for accident and health contracts	153,563,457
Liability for deposit-type contracts	825,889,094
Life contract claims	51,915,717
Accident and health contract claims	2,636,958
Policyholders' dividends	10,488
Dividends apportioned for payment	53,589,943
Premiums received in advance	449,801
Provision for experience rating refunds	10,549,469
Commissions to agents due or accrued	20,236,739
General expenses due and accrued	56,994,392
Transfers to Separate Accounts due and accrued	(11)
Taxes, licenses and fees due or accrued	7,947,993
Current federal and foreign income taxes payable	2,128,462
Amounts withheld or retained by company	1,539,401
Remittances and items not allocated	15,935,817
Liability for benefits for employees and agents	1,558,349
Borrowed money	140,734,204
Asset valuation reserve	483,785,118
Payable to parent, subsidiaries and affiliates	1,565,951
Payable for securities	1,350,000
Pension and postretirement benefits payable	28,806,658
Accounts payable and other liabilities	18,253,340
Uncashed checks pending escheatment	947,350
Separate account liabilities	8,320,609
Total liabilities	\$ 12,848,263,087
Common capital stock	1,500,000
Gross paid in and contributed surplus	400,000
Unassigned funds	3,257,686,046
Total capital and surplus	\$ 3,259,586,046
Total liabilities, capital and surplus	\$ 16,107,849,133

Summary of Operations December 31, 2023

Income

Life premiums	\$ 926,481,590
Annuity premiums and other fund deposits	74,206,784
Accident and health premiums	8,622,662
Supplementary contracts with life contingencies	17,380,866
Investment income, net of expenses	602,139,467
Amortization of interest maintenance reserve	868,269
Commissions and expense allowances on reinsurance ceded	3,693,547
Separate account fees and other	3,233,993
Total income, net of amortization of interest maintenance reserve	1,636,627,178

Benefits and reserve changes

Death benefits	308,568,793
Matured endowments	2,060,460
Annuity benefits	128,894,486
Accident and health benefits	14,366,570
Surrender benefits and withdrawals for life contracts	391,405,948
Interest and adjustments on contract or deposit-type contract funds	28,323,850
Payments on supplementary contracts with life contingencies	24,959,581
Increase in aggregate reserves for life and accident and health contracts.	127,495,856
Total benefits and reserve changes, including interest on contract funds	1,026,075,544

Other operating expenses and transfers

Commissions	101,453,486
General insurance expenses	209,241,595
Taxes, licenses and fees, excluding federal income taxes	31,627,935
Increase (decrease) in loading on deferred and uncollected premiums	6,247,775
Net transfers to or (from) separate accounts, net of reinsurance	(708,183)
Other expenses	305,313
Total other operating expenses and transfers	348,167,921

Net gain from operations before dividends to policyholders and federal income taxes	262,383,713
Policyholders' dividends	52,296,381
Net gain from operations after dividends to policyholders and before federal income taxes	210,087,332
Federal income taxes incurred	45,325,000
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains	164,762,332
Net realized capital gains (losses), excluding transfers to interest maintenance reserve	10,766,323
Net income	\$ 175,528,655

Reconciliation of Capital and Surplus
For the Examination Period Ended December 31, 2023

	2023	2022	2021	2020	2019
Capital and surplus, beginning of the year	\$ 3,124,934,363	\$ 3,074,302,403	\$ 2,862,330,830	\$ 2,721,679,957	\$ 2,594,150,632
Net income	175,528,655	144,780,823	156,358,145	75,166,550	145,057,358
Change in net unrealized capital gains (losses)	84,840,672	(128,837,371)	155,777,023	100,352,413	102,894,080
Change in net deferred income tax	14,788,665	7,424,967	6,194,422	2,771,375	4,326,846
Change in nonadmitted assets	(4,256,576)	(60,721,985)	3,367,748	24,388,621	4,580,194
Change in asset valuation reserve	(114,401,446)	89,227,855	(121,582,007)	(23,155,818)	(116,447,923)
Dividends to stockholders	(21,500,000)	(21,200,000)	(16,700,000)	(20,000,000)	(15,000,000)
Change in net actuarial gain on pensions and postretirement benefits	(348,287)	19,957,671	28,556,242	(18,872,268)	2,118,770
Capital and surplus, end of the year	\$ 3,259,586,046	\$ 3,124,934,363	\$ 3,074,302,403	\$ 2,862,330,830	\$ 2,721,679,957

As a result of this examination, there were no adjustments made to capital and surplus. The capital and surplus reported by the Company of \$3,259,586,046 is accepted as reasonably stated for purposes of the balance sheet per the examination and in compliance with Miss. Code Ann. §83-19-31.

MARKET CONDUCT ACTIVITIES

A full scope market conduct examination was not performed; however, limited procedures were performed on certain areas of the Company's market conduct. The specific areas reviewed included those items as indicated below.

Privacy

The Company had a privacy policy in place for the protection of its policyholders. No exceptions were noted during the course of our testing regarding the Company's privacy policy.

Complaints

The Company maintained a complaint log during the period under examination, and the complaints reviewed during our testing were resolved amicably and no policyholder abuse or undesirable patterns were noted.

Producer Licensing

The Company appeared to have the appropriate licensure to issue its products and agents appeared to be properly licensed and appointed.

Underwriting and Rating

The Company appeared to be appropriately applying premium rates for insured policies based on application data. It appeared that all applicable policy forms and rates had been appropriately approved by the MID.

COMMITMENTS AND CONTINGENT LIABILITIES

At December 31, 2023, the Company was involved as a defendant in various litigation matters. Although the outcome of such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions should not have a material adverse effect on the surplus position of the Company.

SUBSEQUENT EVENTS

Subsequent to the examination period, the following changes in principal officers occurred:

- Horace Lusby Brown retired and was replaced by Zachary James Farmer as Senior Vice President, Chief Investment Officer
- Zachary James Farmer was replaced by Johnathan Craig Pace as Vice President, Securities Management
- William Perry McGaugh Jr. retired and was replaced by Jeffrey Allan Styres as Senior Vice President, General Counsel & Secretary
- Joyce McEwen Plunkett retired and was replaced by Shonda Moneek Merhundrew-Kines as Vice President, Human Resources
- Jeremiah Ridley Wesson passed away and was replaced by Dr. John Lowry Cross as Senior Vice President, Policy Administration
- William Ryan Holloway was appointed Vice President, Agency in February 2024 (This position was unfilled at the end of 2023).

The following Directors were added to the Board due to the election of new Presidents or Vice Presidents of the State Farm Bureau Federations:

- Dan Russell Wright replaced Richard Edward Hillman
- Samuel Ralph Snyder replaced Mark Alan Daniel
- Marty Gant Wooldridge replaced Scott McDonald Wiggers, Jr.
- Richard Bryan Fontenot replaced Jim Toney Harper
- Robert Johnson Mills, Jr. replaced Wayne Franklin Pryor (as Director representing Virginia)
- Marcus Shane Wiseman replaced Mark Edwin Haney (as Director representing Kentucky)

Additionally, Wayne Franklin Pryor's term as Chairman of the Board and President expired, and Russell Wayne Boening was elected to fill the position. Upon Mr. Boening's election, William Shawn Harding was named the new First Vice President.

COMMENTS AND RECOMMENDATIONS

The examination did not identify any material comments and/or recommendations deemed appropriate for inclusion in the examination report.

ACKNOWLEDGMENT

The examiners representing the Mississippi Insurance Department and participating in this examination were:

Supervising Examiner	Joseph R. May, CPA, CFE, CFF, CIE
Lead IT Specialist	Francois Houde, CPA, CISA, CA, CFE, AES
Examination Actuary	Randall Stevenson, FCA, ASA, MAAA, MSc
Senior Examiner	Sharon Stuber, CPA
Senior Examiner	Sophia Tran, CPA
Examiner	Britain Thompson
Examiner	Kaytlynn Rowland
Examiner	Isaac Dotson

The courteous cooperation of the officers and employees responsible for assisting in the examination is hereby acknowledged and appreciated.

Respectfully submitted,



R. Dale Miller, CPA, CFE, CFF
Examiner-in-Charge



Mark Cooley, CFE
MS Insurance Department Designee