Report of the Examination of

Wisconsin River Mutual Insurance Company

Prairie du Sac, Wisconsin

As of December 31, 2024

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May 19, 2026

Honorable Nathan D. Houdek
Commissioner of Insurance
State of Wisconsin
101 East Wilson Street
Madison, Wisconsin 53703

Commissioner:

In accordance with your instructions, a compliance examination has been made of the affairs and financial condition of:

WISCONSIN RIVER MUTUAL INSURANCE COMPANY
Prairie du Sac, Wisconsin

and this report is respectfully submitted.

I. INTRODUCTION

The previous examination of Wisconsin River Mutual Insurance Company (the company or Wisconsin River) was made in 2016 as of December 31, 2015. The current examination covered the three-year period beginning January 1, 2022, and ending December 31, 2024, and included a review of such subsequent transactions as deemed necessary to complete the examination.

The examination of the company was conducted concurrently with the examination of the following affiliated companies: Mt. Morris Mutual Insurance Company, Bloomington Farmers Mutual Insurance Company and Reedsburg-Westfield Mutual Insurance Company. All affiliated companies are domiciled in Wisconsin.

The examination was conducted using a risk-focused approach in accordance with the National Association of Insurance Commissioners (NAIC) *Financial Condition Examiners Handbook*. This approach sets forth guidance for planning and performing the examination of an insurance company to evaluate the financial condition, assess corporate governance, identify current and prospective risks (including those that might materially affect the financial condition, either currently or prospectively), and evaluate system controls and procedures used to mitigate those risks.

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, annual statement instructions, and Wisconsin laws and regulations. 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 at the end of the "Financial Data" section in the area captioned "Reconciliation of Surplus per Examination."

Emphasis was placed on those areas of the company's operations that were accorded a high priority by the examiner-in-charge when planning the examination. Special attention was given to the action taken by the company to satisfy the recommendations made in the previous examination report.

The company is annually audited by an independent public accounting firm as prescribed by s. Ins 50.05, Wis. Adm. Code. An integral part of this compliance examination was the review of the independent accountant's work papers. Based on the results of the review of these work papers, alternative or additional examination steps deemed necessary for completing this examination were performed. The examination work papers contain documentation concerning the alternative or additional examination steps performed during the examination.

Independent Actuary's Review

An independent actuarial firm was engaged under a contract with the Office of the Commissioner of Insurance. The actuary conducted detailed procedures related to loss and LAE reserving methods and computations. The actuary's results were reported to the examiner-in-charge. As deemed appropriate, reference is made in this report to the actuary's conclusion.

II. HISTORY AND PLAN OF OPERATION

The company was organized as a town mutual insurance company on November 25, 1873, under the provisions of the then existing Wisconsin Statutes. The original name of the company was the Merrimac Mutual Farmer's Fire Insurance Company. On October 1, 2008, Lodi Mutual Insurance Company merged into the company, and the company's name was changed to Merrimac Lodi Mutual Insurance Company (Merrimac Lodi).

On January 1, 2023, the company merged with Berry & Roxbury Mutual Insurance Company (Berry & Roxbury), a Wisconsin town mutual insurance company that was organized on March 10, 1876. The combined company concurrently changed its name to Wisconsin River Mutual Insurance Company. On January 1, 2024, the company became a non-assessable mutual insurer under Chapter 611 of the Wisconsin Statutes, and concurrently entered into an affiliation agreement with Mt. Morris Mutual Insurance Company (Mt. Morris), Bloomington Farmers Mutual Insurance Company (Bloomington), and Reedsburg-Westfield Mutual Insurance Company (Reedsburg).

The major products marketed by the company include farmowners' multi-peril, homeowners', allied lines, and fire. The major products are marketed through 14 different agents.

The following table is a summary of the net insurance premiums written by the company in 2024. The growth of the company is discussed in the "Financial Data" section of this report.

Line of Business	Direct Premium	Reinsurance Assumed	Reinsurance Ceded	Net Premium
Fire	$ 397,178	$ 92,275	$ 415,555	$ 73,898
Allied lines	158,871	117,580	182,288	94,163
Farmowners multiple peril	741,398	990,339	885,228	846,509
Homeowners multiple peril	1,323,925	690,631	1,408,066	606,490
Commercial multiple peril (non-liability portion)	26,479	117,711	49,922	94,268
Commercial multiple peril (liability portion)		32,439	6,461	25,978
Other liability – occurrence		50,836	10,125	40,711
Private passenger auto no-fault (personal injury protection)		9,516	1,895	7,621
Other private passenger auto liability		141,719	28,225	113,494
Commercial auto no-fault (personal injury)		1,800	359	1,441
Other commercial auto liability		22,726	4,526	18,200
Private passenger auto physical damage		209,402	41,704	167,698
Commercial auto physical damage		24,912.	4,962	19,950
Boiler and machinery	81,816		81,816	0
Total All Lines	$2,729,667	$2,501,886	$3,121,132	$2,110,421

III. MANAGEMENT AND CONTROL

Board of Directors

The board of directors consists of nine members. The directors shall be divided into two classes that are as close to equal number as possible. No class may contain fewer than three directors. At each annual meeting, the directors in one of the two classes shall be elected for a term of two years and the directors in each other class shall have one year remaining in their terms.

Currently, the board of directors consists of the following persons:

Name	Principal Occupation	Term Expires
Paul Dietman	Loan Officer	2029
Paul Endres	Machinist	2029
Daniel Fenske	President & CEO – Mt. Morris Mutual Insurance Company	2027
Blake Frederick	Vice President of Marketing – Mt. Morris Mutual Insurance Company	2028
Brian Gasser	Farmer	2028
Holly Homolka	Vice President - Finance - Mt. Morris Mutual Insurance Company	2029
Danielle Loeffler	Vice President - Policy Services - Mt. Morris Mutual Insurance Company	2027
Connie Weber	Secretary & Treasurer & Vice President -Operations of Mt. Morris Insurance Company	2027
Richard Wipperfurth	Treasurer – Wisconsin River Mutual Insurance Company	2028

Officers of the Company

The officers serving at the time of this examination are as follows:

Name	Office
Daniel Fenske	Chairman of the Board
Denielle Loeffler	Vice President
Connie Weber	Secretary
Richard Wipperfurth	Treasurer
Jordan Wood	Manager

Committees of the Board

The company's bylaws allow for the formation of certain committees by the board of directors.

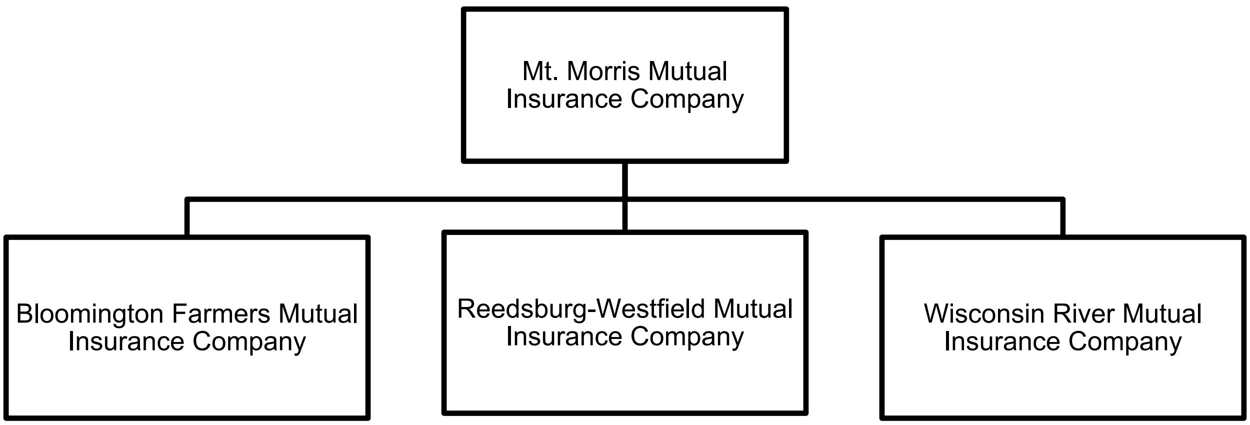
The committees at the time of the examination are listed below:

Executive Committee
Daniel Fenske – Chair
Paul Endres
Danielle Loeffler
Connie Weber
Richard Wipperfurth

IV. AFFILIATED COMPANIES

Wisconsin River Mutual Insurance Company is a member of the Mt. Morris Group. The organizational chart below depicts the relationships among the affiliates in the group. A brief description of the affiliates follows the organizational chart.

Organizational Chart
As of December 31, 2024



Mt. Morris Mutual Insurance Company

Mt. Morris Mutual Insurance Company provides property and casualty insurance. As of December 31, 2024, the audited financial statements of Mt. Morris Mutual Insurance Company reported assets of $76,245,358, liabilities of $39,410,620, and surplus as regards policyholders of $36,834,738. Operations for 2024 produced a net income of $1,387,019.

Bloomington Farmers Mutual Insurance Company

Bloomington Farmers Mutual Insurance Company provides property and casualty insurance. As of December 31, 2024, the audited financial statements of Bloomington Farmers Mutual Insurance Company reported assets of $4,991,862, liabilities of $1,624,331, and surplus as regards policyholders of $3,367,531. Operations for 2024 produced a net income of $54,637.

Reedsburg-Westfield Mutual Insurance Company

Reedsburg-Westfield Mutual Insurance Company provides property and casualty insurance. As of December 31, 2024, the audited financial statements of Reedsburg-Westfield Mutual Insurance Company reported assets of $5,947,873, liabilities of $1,481,095, and surplus as regards policyholders of $4,466,778. Operations for 2024 produced a net income of $1,112.

Agreements with Affiliates

Effective January 1, 2024, pursuant to the affiliations with Bloomington, Reedsburg and Wisconsin River, Mt. Morris entered into separate Affiliation and Management agreements with each affiliate. In addition, Mt. Morris entered into a Reinsurance Pooling Agreement, and a Reinsurance Allocation Agreement, with all affiliates. Below is a summary of these agreements.

Affiliation Agreements:

Pursuant to each Affiliation Agreement:

- Board Designees: Mt. Morris will acquire control of Wisconsin River, Reedsburg, and Bloomington by designating five of the nine, five of the nine, and four of the seven board members respectively.

- Merger: Absent a deficiency in the Minimum or Critical Surplus Ratios (noted below) or by unanimous vote by the board, the parties agree that for a period of five years from the closing date, the parties will not enter into a merger transaction that would result in the affiliate ceasing to exist (including a merger of Wisconsin River, Reedsburg, and Bloomington into Mt. Morris).

- Minimum Surplus Ratio: The affiliate shall maintain a surplus to direct premium ratio of 1:1 (the "Minimum Surplus Ratio"), which shall be determined using its audited quarterly and/or annual financial statements, as applicable. If the affiliate's ratio falls below this threshold, the affiliate shall have 12 months to correct the deficiency. If the deficiency is not corrected within 12 months, the affiliate shall be merged with and into Mt. Morris pursuant to s. 611.73, Wis. Stat.

- Critical Surplus Ratio: If the affiliate's surplus to direct premium ratio falls below the Critical Surplus Ratio (1: 0.75) as of the date of any quarterly or annual audited financial statement, then the affiliate shall be merged with and into Mt. Morris under s. 611.73, Wis. Stat. as soon as possible.

Management Agreements:

Pursuant to each Management Agreement:

- Mt. Morris and Affiliate may provide each other certain services from time to time, including but not limited services related to: reinsurance, investments, actuarial services, underwriting, and policy/premium/claims administration. The majority of these services are anticipated to be provided by Mt. Morris to the Affiliate, however, the agreement permits the provision of services by any party to any other party.

Reinsurance Pooling Agreement:

The Reinsurance Pooling Agreement establishes a risk-sharing pool, whereby underwriting losses will be distributed to each party in accordance with their proportionate share of the total premium subject to the agreement.

Reinsurance Allocation Agreement:

Pursuant to the Reinsurance Allocation Agreement, reinsurance premiums, profits and losses will be allocated to each party as follows:

- Premiums and profits will be allocated in such proportion as the party's subject premiums bear to the total premiums applicable to the reinsurance allocation agreement.

- Losses will be allocated based on the percentage that each party's loss bears to the total of all losses contributing to the occurrence.

V. REINSURANCE

The company participates in a Reinsurance Pooling Agreement with Mt. Morris Mutual Insurance Company and the other members of the Mt. Morris Group (as discussed in the Affiliated Companies section of this report).

VI. FINANCIAL DATA

The following financial statements reflect the financial condition of the company as reported to the commissioner of insurance in the December 31, 2024, annual statement. Adjustments made as a result of the examination are noted at the end of this section in the area captioned "Reconciliation of Surplus per Examination." Also included in this section are schedules that reflect the growth of the company and the compulsory and security surplus calculation.

Wisconsin River Mutual Insurance Company
Assets
As of December 31, 2024

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$5,096,616	$ 0	$5,096,616
Stocks:			
Common stocks	1,394,372		1,394,372
Cash, cash equivalents, and short-term investments	1,182,192		1,182,192
Investment income due and accrued	57,119		57,119
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	54,783		54,783
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	114,524		114,524
Other amounts receivable under reinsurance contracts	422,200	207,875	214,325
Electronic data processing equipment and software	3,852		3,852
Total Assets	$8,325,658	$207,875	$8,117,783

Wisconsin River Mutual Insurance Company
Liabilities, Surplus, and Other Funds
As of December 31, 2024

Losses	$ 278,690
Loss adjustment expenses	13,000
Commissions payable, contingent commissions, and other similar charges	46,868
Other expenses (excluding taxes, licenses, and fees)	3,432
Taxes, licenses, and fees (excluding federal and foreign income taxes)	38,108
Current federal and foreign income taxes	12,163
Net deferred tax liability	33,000
Borrowed money and interest thereon	
Unearned premiums	1,197,389
Advance premium	81,369
Ceded reinsurance premiums payable (net of ceding commissions)	16,000
Amounts withheld or retained by company for account of others	1,286
Payable to parent, subsidiaries, and affiliates	430,318
Total Liabilities	2,151,623
Surplus as Regards Policyholders	5,966,160
Total Liabilities and Surplus	$8,117,783

Wisconsin River Mutual Insurance Company
Summary of Operations
For the Year 2024

Underwriting Income		
Premiums earned		$2,010,568
Deductions:		
Losses incurred	$1,068,306	
Loss adjustment expenses incurred	115,535	
Other underwriting expenses incurred	803,549	
Total underwriting deductions		1,987,400
Net underwriting gain (loss)		23,168
Investment Income		
Net investment income earned	183,995	
Net realized capital gains (losses)	68,268	
Net investment gain (loss)		252,263
Other Income		
Finance and service charges not included in premiums	72,260	
Miscellaneous income	553	
Total other income		72,813
Net income (loss) after dividends to policyholders but before federal and foreign income taxes		348,244
Federal and foreign income taxes incurred		76,500
Net Income (Loss)		$ 271,744

Wisconsin River Mutual Insurance Company
Cash Flow
For the Year 2024

Premiums collected net of reinsurance			$1,674,206
Net investment income			177,822
Miscellaneous income			72,813
Total			1,924,841
Benefit- and loss-related payments		$1,141,877	
Commissions, expenses paid, and aggregate write-ins for deductions		893,156	
Total deductions			2,035,033
Net cash from operations			(110,192)
Proceeds from investments sold, matured, or repaid:			
Bonds	$1,248,273		
Stocks	130,976		
Total investment proceeds		1,379,249	
Cost of investments acquired (long-term only):			
Bonds	1,433,379		
Stocks	53,264		
Total investments acquired		1,486,643	
Net cash from investments			(107,394)
Cash from financing and miscellaneous sources:			
Other cash provided (applied)		430,086	
Net cash from financing and miscellaneous sources			430,806
Net Change in Cash, Cash Equivalents, and Short-Term Investments			212,500
Cash, cash equivalents, and short-term investments:			
Beginning of year			969,692
End of year			$1,182,192

Wisconsin River Mutual Insurance Company
Compulsory and Security Surplus Calculation
December 31, 2024

Assets		$8,117,783
Less liabilities		2,151,623
Adjusted surplus		5,966,160
Annual premium:		
Lines other than health and medical malpractice	$2,110,421	
Factor	20%	
Compulsory surplus (subject to a minimum of $2 million)		2,000,000
Compulsory Surplus Excess (Deficit)		$3,966,160
Adjusted surplus (from above)		$5,966,160
Security surplus (140% of compulsory surplus, factor reduced 1% for each $33 million in premium written in excess of $10 million, with a minimum factor of 110%)		2,800,000
Security Surplus Excess (Deficit)		$3,166,160

Wisconsin River Mutual Insurance Company
Analysis of Surplus
For the Three-Year Period Ending December 31, 2024

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2024	2023	2022*
Surplus, beginning of year	$5,811,178	$6,623,501	$4,969,144
Net income	271,744	(463,822)	119,636
Change in net unrealized capital gains/losses	124,113	(345,244)	(305,588)
Change in deferred income tax	(33,000)		
Change in nonadmitted assets	(207,875)	(3,257)	
Surplus, End of Year	$5,966,160	$5,811,178	$4,783,192

Growth of Wisconsin River Mutual Insurance Company

Year	Admitted Assets	Liabilities	Surplus as Regards Policyholders	Net Income
2024	$8,117,783	$2,151,623	$5,966,160	$271,744
2023	7,454,434	1,643,256	5,811,178	(463,822)
2022*	5,831,812	1,048,620	4,783,192	119,636

Year	Gross Premium Written	Net Premium Written	Premium Earned	Loss and LAE Ratio	Expense Ratio	Combined Ratio
2024	$5,231,553	$2,110,421	$2,010,568	58.9%	34.6%	93.5%
2023	2,460,871	1,536,762	1,405,998	87.8	41.7	129.5
2022*	1,876,358	1,216,810	1,158,763	60.3	40.5	100.8

The company posted net income in two of three years under examination. The large increase in 2024 for gross premiums written is mainly due to reinsurance assumed from affiliates.

*The 2022 financial information reflects the results of Merrimac Lodi only (prior to the January 1, 2023 merger with Berry & Roxbury). The difference between the 2022 End of Year Surplus and the 2023 Beginning of the Year Surplus is due to the merger with Berry & Roxbury.

VII. SUMMARY OF EXAMINATION RESULTS

Compliance with Prior Examination Report Recommendations

The examination reviewed the most recent examination recommendations from Berry & Roxbury Mutual Insurance Company and Merrimac Lodi Mutual Insurance Company. All prior exam recommendations were either determined to be complied with or were specific to town mutual insurers and were no longer applicable (due to the company's conversion to a Chapter 611 insurer effective January 1, 2024).

Summary of Current Examination Results

The current examination resulted in no recommendations. There were no adjustments or reclassifications to the balance sheet amounts as a result of this examination.

VIII. CONCLUSION

During the period under examination, the company became a non-assessable Chapter 611 Domestic Insurer. Additionally, on January 1, 2024, the company entered into an affiliation agreement with Mt. Morris Mutual Insurance Company.

The company posted net income in two of three years under examination.

The company complied with all applicable prior examination recommendations (the other prior exam recommendations were specific to town mutual insurers and were no longer applicable (due to the company's conversion to a Chapter 611 insurer effective January 1, 2024). The current examination of Wisconsin River Mutual Insurance Company resulted in no recommendations. The amount of surplus reported by the company as of December 31, 2024, is accepted.

IX. SUMMARY OF COMMENTS AND RECOMMENDATIONS

The current examination resulted in no recommendations. There were no adjustments or reclassifications to the balance sheet amounts as a result of this examination

X. ACKNOWLEDGMENT

The courtesy and cooperation extended by the officers and employees of the company during the course of the examination are acknowledged.

In addition to the undersigned, the following representatives of the Office of the Commissioner of Insurance, State of Wisconsin, participated in the examination:

Name	***Title***
Josh Daggett, CFE	Assisting Examiner
Nick Siskoff, CFE	Assisting Examiner
Yi Xu	Assisting Examiner
Greg Smith	Assisting Examiner
Adam Donovan, CISSP, CISA	IT Specialist
Terry Lorenz, CFE	Quality Control Specialist
Jerry DeArmond, CFE	Reserve Specialist

Respectfully submitted,

Mike Miller

Mike Miller, CFE
Examiner-in-Charge