

**NOTICE OF THE ANNUAL BUSINESS MEETING  
GARFIELD FARM MUTUAL INSURANCE ASSOCIATION**

**Dear Policyholders,**

You are hereby notified that the Annual Business Meeting of the Garfield Farm Mutual Insurance Association (GFMIA) will be held on Friday, July 17, 2026, in Karnes City, Texas.

**Meeting Details:**

Location: Offices of Garfield Farm Mutual Insurance Association

Address: 919 S. Panna Maria Avenue, Karnes City, TX 78118

Registration: Begins at 9:30 a.m.

Meeting Begins: 10:00 a.m.

Attire: Business Casual

Refreshments: Light refreshments will be served

This meeting serves as an important opportunity for our members to receive updates on the financial health, operations, and direction of the Association, as well as to participate in the governance of our organization through open discussion and director elections.

Kindly RSVP your attendance by calling 830-780-2444 or by emailing [info@garfieldins.com](mailto:info@garfieldins.com).

**Annual Meeting Agenda**

**Call to Order by the Chairman:**

1. Reading and Approval of the Minutes of July 19, 2024, Annual Meeting
2. Presentation of the 2025 Financial Report
3. Approval of the 2025 Audit Committee Report
4. Review and Approval of the Losses Paid in 2025
5. Election of Directors to the Board of Directors
6. Open Discussion for the Benefit of the Association
7. Adjournment

On behalf of the Board of Directors and employees of Garfield Farm Mutual Insurance Association, we thank you for your continued trust, support, and cooperation over the past year.

We look forward to seeing you at the meeting.

Sincerely,



Karl Arnst  
Secretary-Treasurer & CEO

We submit respectfully the **2025 Financial Report** for your review. This report summarizes the operations, expenses, assets, and financial position of Garfield Farm Mutual Insurance Association for the year ending December 31, 2025, as filed with the Texas Department of Insurance on March 1, 2026, in accordance with the requirements of the Texas Insurance Code.

## **Assets**

As of December 31, 2025, total **Cash and Invested** stood at **\$16,911,047**, comprised of:

- Cash and short-term investments: **\$2,547,790**
- Bonds: **\$4,509,581**
- Stocks: **\$9,519,472**
- Real estate: **\$157,115**
- Other invested assets: **\$177,089**

**Other admitted assets** totaled **\$1,803,287**, including:

- Income due and accrued: **\$60,019**
- Uncollected premiums: **\$791,850**
- Federal income tax recoverable: **\$171,924**
- Furniture, equipment, and software: **\$28,952**
- Other admitted assets: **\$203,460**

This brings the Association's **net admitted assets** to **\$18,167,252**

## **Liabilities and Surplus**

The Association's liabilities as of year-end totaled **\$4,467,830**, including:

- Losses and loss adjustment expenses: **\$184,021**
- Loss Adjustment Expense: **\$24,172**
- Commissions payable: **\$77,633**
- Accrued expenses: **\$34,443**
- Taxes, Licenses, Fees (excluding FIT) **\$4,859**
- Deferred tax liability: **\$250,649**
- Unearned premiums: **\$3,727,704**
- Advance premiums: **\$159,723**
- Payable to Subsidiaries: **\$4,626**

The remaining **policyholder surplus** stands at **\$13,699,422**, bringing **total liabilities and surplus** to **\$18,167,252**.

### **Statement of Income**

Premiums Earned **\$4,034,052**

Losses Incurred: **\$1,207,781** Loss Adjustment Expense: **\$367,701**

Other Underwriting Expenses Incurred: **\$1,603,123**

Total Underwriting Deductions: **\$3,178,605**. Net Underwriting Loss: **\$855,447**

Net Investment Gain: **\$216,659**. Total other Income: **\$139,633**

Gain before Federal Income Tax: **\$1,211,739**; Federal Income Tax Incurred: **\$244,030**

**Net Income for the Year: \$967,709**

### **Expenses**

Total expenses for 2025 were **\$2,058,986**. These expenses included:

- Loss Adjustment Expenses: **\$378,976**
- Commissions: **\$921,890**
- General Operating Expenses: **\$636,913**
- Other Underwriting Expenses: **\$954,781**
- Investment Expenses: **\$88,316**

### **2025 Losses Paid**

- Fire and Lightning: **\$283,110**
- Extended Coverage: **\$945,739**
- Other: **\$127,028**
- Reserves for Unpaid Losses: **\$(7,281)**
- Less Reinsurance Recoveries: **\$(140,815)**

**Total Net Losses Paid: \$1,207,781**

### **Insurance in Force and Membership Summary**

As of December 31, 2025, the Association had:

- 4,617 active insurance policies and 3,669 members
- \$1,175,553,113 of insurance in force
- Policy distribution: 3,181 rural policies (70.73%) and 1,436 urban policies (29.27%)