

Louisiana Farm Bureau is eyeing demutualization. Here's what that means

By Dillon Lowe



[Louisiana Farm Bureau Mutual Insurance Co.](#), one of the state's leading insurers, is moving to convert from a mutual insurance company into a stock insurance company. The plan is to place the Baton Rouge-based carrier under the ownership of [Southern Farm Bureau Casualty Insurance Co.](#), a larger regional insurance group headquartered in Ridgeland, Mississippi.

A mutual insurance company is owned by its policyholders, while a stock insurance company is owned by its shareholders.

The boards of both firms have approved a sponsored demutualization transaction in which Louisiana Farm Bureau would convert into a stock company and Southern Farm

Bureau would purchase all shares of the newly converted entity, according to Avery Davidson, communications director for the Louisiana Farm Bureau Federation.

Following the transaction, Louisiana Farm Bureau Mutual Insurance Co. would be renamed Louisiana Farm Bureau Insurance Co. and would operate as a wholly owned subsidiary of Southern Farm Bureau.

Davidson says the deal would provide the insurer "significant" financial stability.

"This reorganization will provide greater opportunities to expand membership and ensure Louisiana Farm Bureau Insurance Co. has increased financial security and enhanced opportunities for long-term success," Davidson tells *Daily Report* via email.

Davidson adds that the shift would not materially change how the insurer interacts with its customers.

"Our policyholders will keep their agent who works in their parish office, continuing to respond to needs quickly and fairly," he says, adding that the transaction "will not affect current insurance coverage, policies or premium payments for current members."

The board approvals mark the first step in a longer process that still requires a vote by eligible members, various regulatory approvals and, ultimately, payments to policyholders as part of the demutualization.

The Louisiana Department of Insurance has scheduled a public hearing for 10 a.m. on Jan. 16 to determine whether the transaction protects policyholder interests and meets state legal requirements. The hearing will be held in the Poydras Hearing Room of the Poydras Building in downtown Baton Rouge.

The transaction is expected to close in Q2 2026, pending member and regulatory approvals.

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