

December 31, 2020 - Annual Statement

Iowa Company Number: 0036

Clay Mutual Insurance Association

Ann Banks

515 Grand, Box 467

Spencer IA 51301

DECEMBER 31, 2020

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 \$ 4,908,281

INCOME - INCREASES IN LEDGER ASSETS

PREMIUMS

	(1) Direct Premiums	(2) Reinsurance Premiums Assumed	(3) Specific Reinsurance Premiums Ceded	(4) Net Premiums (1 + 2 - 3 = 4)
2. Fire	\$ 1,226,567	\$	\$	\$ 1,226,567
3. Windstorm	1,148,062			1,148,062
4. Crop hail				
5. Homeowners assumed	xxxxxxx			
6. Totals	\$ 2,374,629	\$	\$	\$ 2,374,629
7. Aggregate excess loss reinsurance paid				575,752
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)				\$ 1,798,877
9. Net interest received on bonds				96,278
10. Increase in adjustment of bonds \$		810	, less	
\$ 15,008 decrease in adjustment of bonds				(14,198)
11. Dividends received				50,222
12. Interest received on bank deposits (schedule C-2, column 7)				2,595
13. Interest received on mortgage loans (schedule D, column 6)				
14. Other Interest				38
15. Profit on sale of investment				22,675
16. Rents received*				16,000
17. Total income from investments (items 9 through 16)				\$ 173,610
18. Borrowed money				
19. Premiums collected for other companies (less refunds)				237,299
20. Checks charged off				
21. Increase in ledger liabilities				
22. Underwriting expense reimbursement				
23. Federal income tax refund				17,498
24. Miscellaneous income				344
25.				
26.				
27. Total (items 18 through 26)				\$ 255,141
28. Total income (items 8, 17 and 27)				\$ 2,227,628
29. Total assets and income (item 1 plus item 28)				\$ 7,135,909

*Includes \$ 8,000 For association's occupancy of its own buildings

DECEMBER 31, 2020

1. Amount brought forward from line 29 page 2 \$ 7,135,909

DISBURSEMENTS - DECREASES IN LEDGER ASSETS

		(1)		(2)		(3)		(4)
		Direct		Reinsurance		Specific Reinsuran		Net Losses Paid
		Losses		Assumed		Recovered		(1 + 2 - 3 = 4)
2. Fire.	\$	950,761	\$		\$			\$ 950,761
3. Windstorm		961,606						961,606
4. Crop Hail								
5. Homeowners Assumed		xxxxxxx						
6. Totals	\$	1,912,367	\$		\$			\$ 1,912,367

7. Received from aggregate excess loss reinsurance 1,177,057

8. Total of all net losses (line 6, col.4 - line 7 = line 8) \$ 735,310

OPERATING EXPENSE

9. Loss Adjustment Expenses								33,795
10. Commissions								282,362
11. Advertising								4,657
12. Boards, bureaus and associations								10,023
13. Inspection and loss prevention								25,837
14. Salaries of officers.								44,814
15. Expenses of officers								
16. Salaries of office employees								120,056
17. Employee welfare								78,107
18. Insurance								17,551
19. Directors' compensation								6,600
20. Directors' expenses								203
21. Rent and rent items								8,000
22. Equipment								20,108
23. Printing, stationery and supplies								5,345
24. Postage and telephone								24,734
25. Legal and auditing								11,600
26. State insurance taxes		March		1,526				
		June 1	11,750	August 15	11,750			25,026
27. Insurance Division licenses and fees								130
28. Payroll taxes								17,060
29. All other taxes (excluding Federal income)								
30. Real estate expenses								11,259
31. Real estate taxes								3,082
32. Interest on borrowed money								
33. Miscellaneous								
a Annual Meeting Expense								
b Donations/Contributions								5,992
c Travel & Travel Items								1,535
d Over and Short								18
34.								
35. Total operating expense (items 9 through 34)								\$ 757,894

NON-OPERATING EXPENSE

36. Borrowed money repaid								
37. Depreciation on real estate								7,620
38. Loss on sale of investments								49,955
39. Federal income tax Prior year				Current year				
40. Premium collections transmitted to other companies								197,734
41. Commissions paid agents for other companies								27,871
42. Decrease in ledger liabilities								11,709
43. .								
44. Total non-operating expense (items 36 through 43)								\$ 294,889
45. Total disbursements (items 8, 35 and 44)								\$ 1,788,093
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4								\$ 5,347,816

ASSETS - DECEMBER 31, 2020

	(1)	(2)	(3)	(4)	(5)
	Ledger Assets	Non-ledger including excess of market (or amortized) over book value	Assets not admitted including excess of book over market or amortized values	Current Year Net Admitted Assets (1+2-3=4)	Prior Year Net Admitted Assets
1. Bonds (schedule A-part 1)	\$ 2,880,076			2,880,076	\$ 2,614,239
2. Stocks (schedule A-part 2).	1,414,218	887,641		2,301,859	\$ 2,150,325
3. Bank Balances					
3.1 Subject to check (C-1)	803,384			803,384	\$ 607,344
3.2 On interest (C-2)					
4. Mortgage loans (schedule D)					
4.1 First liens					
4.2 Other than first					
5. Collateral loans (schedule E)					
6. Real estate (schedule F)	118,234			118,234	\$ 113,354
7. Cash in office	30			30	\$ 30
8. Unpaid Premiums					
8.1 Due before November 1		537	537	xxxxxxx	
8.2 Due after November 1		35,931		35,931	\$ 1,877
9. Bills receivable				xxxxxxx	
10. Agents' balances					
11. Reinsurance receivable on paid losses					
12. Accrued interest	xxxxxxx	21,797		21,797	\$ 20,226
13. Accrued rent due	xxxxxxx				
14. Equipment and furniture	1,425		1,425	xxxxxxx	xxxxxxx
15. Supplies				xxxxxxx	xxxxxxx
16. Automobiles	14,328		14,328	xxxxxxx	xxxxxxx
17. Cash surrender value of life ins.					
18. Federal income tax recoverable					
19. Electronic Data Process Equip	5,000			5,000	
20. Due from Clay Agency	1,121			1,121	\$ 1,956
21. Prepaid Reinsurance	110,000			110,000	
22. Totals	\$ 5,347,816	\$ 945,906	\$ 16,290	\$ 6,277,432	\$ 5,509,351

LIABILITIES - DECEMBER 31, 2020

	Current Year	Prior Year
1. Unpaid claims (reported)	\$ 324,836	
2. Unpaid claims (incurred but not reported)	20,000	
3. Total unpaid losses	344,836	
4. Less: reinsurance recoverable on unpaid losses	86,825	
5. Net unpaid claims	\$ 258,011	\$ 120,188
6. Unpaid adjusting expenses	8,464	22,060
7. Ceded reinsurance balances payable	48,213	45,449
8. Unpaid salaries and commissions	31,702	34,134
9. Borrowed money		
10. Interest due on borrowed money		
11. Amounts withheld for the account of others	214	1,098
12. Taxes payable: Real Estate	3,160	3,000
Federal Income	16,000	
Premium	246	1,526
Other	1,363	1,067
13. Other unpaid expenses	2,412	3,537
14. Premiums collected for other companies - not remitted	12,170	10,081
15. Premiums received in advance	11,284	20,264
*16. Unearned premium reserve	945,728	900,926
17.		
18.		
19. Total liabilities	\$ 1,338,967	\$ 1,163,330
20. Surplus	\$ 4,938,465	\$ 4,346,021
21. Total liabilities and surplus	\$ 6,277,432	\$ 5,509,351

(line 21 must agree with line 22, column 4, page 4)

*Method of calculation: 40% method

HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
<u>Gross Premium</u>					
Fire	1,226,567	1,207,357	1,139,635	1,138,896	1,127,001
Windstorm	1,148,062	1,142,680	1,057,740	1,073,125	1,063,164
Crop Hail	-	-	-	-	-
Total	2,374,629	2,350,037	2,197,375	2,212,021	2,190,165
<u>Net Premiums Written</u>					
Fire	1,226,567	1,207,357	1,139,635	1,138,896	1,127,001
Windstorm	1,148,062	1,142,680	1,057,740	1,073,125	1,063,164
Crop Hail	-	-	-	-	-
Total	2,374,629	2,350,037	2,197,375	2,212,021	2,190,165
Total Net of Agg	1,798,877	1,806,923	1,683,871	1,713,623	1,752,688
<u>Gross Losses Paid</u>					
Fire	950,761	419,406	1,604,935	985,790	718,120
Windstorm	961,606	3,796,662	4,400,545	548,448	435,470
Crop Hail	-	-	-	-	-
Total	1,912,367	4,216,068	6,005,480	1,534,238	1,153,590
<u>Net Losses Paid</u>					
Fire	950,761	419,406	1,604,935	985,790	718,120
Windstorm	961,606	3,796,662	4,400,545	548,448	435,470
Crop Hail	-	-	-	-	-
Total	1,912,367	4,216,068	6,005,480	1,534,238	1,153,590
Total Net of Agg	735,310	962,060	1,909,384	970,439	946,783
<u>Loss Percentage (Direct)</u>					
Fire Losses/Fire Prem	77.5%	34.7%	140.8%	86.6%	63.7%
Windstorm Losses/Windstorm Prem	83.8%	332.3%	416.0%	51.1%	41.0%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	80.5%	179.4%	273.3%	69.4%	52.7%
<u>Loss Percentage (Net)</u>					
Fire Losses/Fire Prem	77.5%	34.7%	140.8%	86.6%	63.7%
Windstorm Losses/Windstorm Prem	83.8%	332.3%	416.0%	51.1%	41.0%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	80.5%	179.4%	273.3%	69.4%	52.7%
Tot Net Agg Losses/Tot Net Agg Prem	40.9%	53.2%	113.4%	56.6%	54.0%
<u>Balance Sheet Items</u>					
Total Admitted Assets	6,277,432	5,509,351	4,795,032	5,640,088	5,061,265
Liabilities	1,338,967	1,163,330	998,093	1,322,881	1,097,591
Surplus	4,938,465	4,346,021	3,796,939	4,317,207	3,963,674
Bonds	2,880,076	2,614,239	2,666,471	2,640,020	2,356,125
Stocks	2,301,859	2,150,325	1,615,658	2,064,872	1,759,681
Real Estate	118,234	113,354	122,083	87,894	91,641
Unpaid Premium (line 8.1)	-	(52)	210	(418)	-
Unpaid Premium (line 8.2)	35,931	1,877	30,027	11,971	6,363
Agents' Balances	-	-	-	-	-
Unearned Premium	945,728	900,926	866,581	865,573	854,000
<u>Balance Sheet Percentages</u>					
Bonds/Admitted Assets	46%	47%	56%	47%	47%
Stocks/Admitted Assets	37%	39%	34%	37%	35%
Real Estate/Admitted Assets	2%	2%	3%	2%	2%
Unpaid Prem (line 8.2)/Admitted Assets	1%	0%	1%	0%	0%
Agents' Balances/Admitted Assets	0%	0%	0%	0%	0%
<u>Income/Disbursement Items</u>					
Total Income	2,227,628	2,330,444	2,287,259	2,102,951	2,109,140
Total Disbursements	1,788,093	1,906,210	2,761,317	1,796,041	1,943,492
Operating Expense	757,894	687,454	652,278	628,515	664,386
Commissions	282,362	276,754	255,265	256,004	264,947
Investment Income	173,610	190,527	400,943	213,228	203,346
Salaries (lines 14-17)	242,977	171,357	167,955	155,263	161,996
<u>Other</u>					
Gross Risk in Force	553,222,293	544,973,688	532,530,189	520,472,366	500,407,340
Number of Policies	1,836	1,852	1,877	1,874	1,857
Operating Expense/Net Premium	42%	38%	39%	37%	38%