

December 31, 2020 - Annual Statement

Iowa Company Number: 0046

Farmers Mutual Insurance Association

Alan Weiss

Box 40

Schleswig IA 51461

DECEMBER 31, 2020

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4

\$ 5,596,933

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	\$ 1,869,126	\$	\$ 1,869,126	
3. Windstorm	1,702,032		1,702,032	
4. Crop hail				
5. Homeowners assumed	xxxxxxx			
6. Totals	\$ 3,571,158	\$	\$ 3,571,158	
7. Aggregate excess loss reinsurance paid			1,156,644	
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)				\$ 2,414,514
9. Net interest received on bonds			152,855	
10. Increase in adjustment of bonds \$		1,906		
\$	10,341	decrease in adjustment of bonds	(8,435)	
11. Dividends received			2,039	
12. Interest received on bank deposits (schedule C-2, column 7)			12,984	
13. Interest received on mortgage loans (schedule D, column 6)				
14. Other Interest - Iowa Fair Plan (K-1)			93	
15. Profit on sale of investment			1,466	
16. Rents received*			9,000	
17. Total income from investments (items 9 through 16)				\$ 170,002
18. Borrowed money				
19. Premiums collected for other companies (less refunds)				
20. Checks charged off				
21. Increase in ledger liabilities				
22. Underwriting expense reimbursement				
23. Federal income tax refund			10,000	
24. Miscellaneous income			304	
25. Crop Hail Contingency Commission				
26. PPP Loan Forgiven			46,700	
27. Total (items 18 through 26)				\$ 57,004
28. Total income (items 8, 17 and 27)				\$ 2,641,520
29. Total assets and income (item 1 plus item 28)				\$ 8,238,453

*Includes \$ _____ For association's occupancy of its own buildings

DECEMBER 31, 2020

1. Amount brought forward from line 29 page 2

\$ 8,238,453

DISBURSEMENTS - DECREASES IN LEDGER ASSETS

	(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsuran Recovered	(4) Net Losses Paid (1 + 2 - 3 = 4)
2. Fire.	\$ 704,314	\$	\$	\$ 704,314
3. Windstorm	741,032			741,032
4. Crop Hail				
5. Homeowners Assumed	xxxxxxx			
6. Totals	\$ 1,445,346	\$	\$	\$ 1,445,346

7. Received from aggregate excess loss reinsurance 127,899

8. Total of all net losses (line 6, col.4 - line 7 = line 8) \$ 1,317,447

OPERATING EXPENSE

9. Loss Adjustment Expenses				111,726
10. Commissions				434,064
11. Advertising				4,448
12. Boards, bureaus and associations				11,704
13. Inspection and loss prevention				391
14. Salaries of officers.				85,000
15. Expenses of officers				
16. Salaries of office employees				100,856
17. Employee welfare				12,426
18. Insurance				14,419
19. Directors' compensation				13,200
20. Directors' expenses				
21. Rent and rent items				2,690
22. Equipment				
23. Printing, stationery and supplies				3,227
24. Postage and telephone				16,090
25. Legal and auditing				20,604
26. State insurance taxes		March 75		
	June 1 17,894	August 15	17,894	35,863
27. Insurance Division licenses and fees				220
28. Payroll taxes				20,284
29. All other taxes (excluding Federal income)				
30. Real estate expenses				14,317
31. Real estate taxes				1,885
32. Interest on borrowed money				
33. Miscellaneous				5,938
a Registration Fees & Conventions				360
b Computer and Equipment Expenses				15,276
c Travel and Travel Items				115
d Meals and Lodging				276
34. .				
35. Total operating expense (items 9 through 34)				\$ 925,379

NON-OPERATING EXPENSE

36. Borrowed money repaid				
37. Depreciation on real estate				315
38. Loss on sale of investments				34,290
39. Federal income tax Prior year _____ Current year 40,000				40,000
40. Premium collections transmitted to other companies				
41. Commissions paid agents for other companies				
42. Decrease in ledger liabilities				
43. Iowa Fair Plan - Loss (K-1)				1,318
44. Total non-operating expense (items 36 through 43)				\$ 75,923
45. Total disbursements (items 8, 35 and 44)				\$ 2,318,749
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4				\$ 5,919,704

ASSETS - DECEMBER 31, 2020

	(1) Ledger Assets	(2) Non-ledger including excess of market (or amortized) over book value	(3) Assets not admitted including excess of book over market or amortized values	(4) Current Year Net Admitted Assets (1+2-3=4)	(5) Prior Year Net Admitted Assets
1. Bonds (schedule A-part 1)	\$ 4,794,746			4,794,746	\$ 4,445,680
2. Stocks (schedule A-part 2).	96,004		24,188	71,816	\$ 18,828
3. Bank Balances					
3.1 Subject to check (C-1)	273,794			273,794	\$ 127,747
3.2 On interest (C-2)	744,120			744,120	\$ 934,970
4. Mortgage loans (schedule D)					
4.1 First liens					
4.2 Other than first					
5. Collateral loans (schedule E)					
6. Real estate (schedule F)	8,191			8,191	\$ 8,506
7. Cash in office	100			100	\$ 100
8. Unpaid Premiums					
8.1 Due before November 1		5,852	5,852	xxxxxxx	
8.2 Due after November 1		32,024		32,024	\$ 30,409
9. Bills receivable				xxxxxxx	
10. Agents' balances					
11. Reinsurance receivable on paid losses (168+30,967)		3,482		3,482	\$ 52,157
12. Accrued interest	xxxxxxx	31,135		31,135	\$ 28,674
13. Accrued rent due	xxxxxxx				
14. Equipment and furniture				xxxxxxx	xxxxxxx
15. Supplies		2,500	2,500	xxxxxxx	xxxxxxx
16. Automobiles				xxxxxxx	xxxxxxx
17. Advertising Recoverable					\$ 6,151
18. Federal income tax recoverable		132,900		132,900	\$ 140,962
19. Iowa Fair Partnership	2,749		2,749		
20. .					
21. .					
22. Totals	\$ 5,919,704	\$ 207,893	\$ 35,289	\$ 6,092,308	\$ 5,794,184

LIABILITIES - DECEMBER 31, 2020

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 292,200		
2. Unpaid claims (incurred but not reported)			
3. Total unpaid losses	292,200		
4. Less: reinsurance recoverable on unpaid losses	8,000		
5. Net unpaid claims		\$ 284,200	\$ 349,926
6. Unpaid adjusting expenses		14,223	18,844
7. Ceded reinsurance balances payable		95,882	105,191
8. Unpaid salaries and commissions		39,176	35,034
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others			
12. Taxes payable: Real Estate		1,898	1,872
Federal Income		25,000	
Premium		(76)	75
Other (Federal U/P \$183 + Iowa U/P \$11)		194	269
13. Other unpaid expenses		3,535	12,683
14. Premiums collected for other companies - not remitted		17,560	15,707
15. Premiums received in advance		54,579	40,991
*16. Unearned premium reserve		1,396,032	1,396,264
17. Retirement		12,420	12,346
18. Suspense - Member Funds		1,882	488
19. Total liabilities		\$ 1,946,505	\$ 1,989,690
20. Surplus		\$ 4,145,803	\$ 3,804,494
21. Total liabilities and surplus		\$ 6,092,308	\$ 5,794,184

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

*Method of calculation:

Direct Fire Premiums (Page 2, Line 2, Column 1).....	1,869,126
Direct Wind Premiums (Page 2, Line 3, Column 1).....	1,702,032
Less: Non Refundable Fire & Wind Policy Fees Included in Premiums.....	(69,103)
Add: Reinsurance Homeowners	
Premiums Assumed (Page 2, Line 5, Column 2).....	-
Add: Unpaid Premiums (Page 4, Line 8.2, Column 4).....	32,024
Less: Premiums Received in Advance (Page 5, Line 15).....	(54,579)
Subtotal:	<u>3,479,500</u>
Less: Unpaid Premiums (Prior Year) Page 4, Line 8.2, Column 4	(30,409)
Add: Premiums Received in Advance (Prior Year) Page 5, Line 15	<u>40,991</u>
	3,490,082
Rate	40%
Unearned Premium Reserve	<u><u>1,396,032</u></u>

HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
Gross Premium					
Fire	1,869,126	1,875,139	1,822,309	1,729,757	1,811,249
Windstorm	1,702,032	1,703,560	1,648,729	1,556,649	1,626,932
Crop Hail	-	-	403,722	447,508	381,129
Total	3,571,158	3,578,699	3,874,760	3,733,914	3,819,310
Net Premiums Written					
Fire	1,869,126	1,875,139	1,822,309	1,729,757	1,811,249
Windstorm	1,702,032	1,703,560	1,648,729	1,556,649	1,626,932
Crop Hail	-	(8,160)	100,196	101,349	87,286
Total	3,571,158	3,570,539	3,571,234	3,387,755	3,525,467
Total Net of Agg	2,414,514	2,245,267	2,451,728	2,192,139	2,367,349
Gross Losses Paid					
Fire	704,314	1,988,237	1,323,728	827,354	1,627,054
Windstorm	741,032	487,405	470,492	469,931	612,940
Crop Hail	-	-	190,024	71,906	562,336
Total	1,445,346	2,475,642	1,984,244	1,369,191	2,802,330
Net Losses Paid					
Fire	704,314	1,988,237	1,323,728	827,354	1,538,835
Windstorm	741,032	487,405	470,492	469,931	612,940
Crop Hail	-	-	-	-	-
Total	1,445,346	2,475,642	1,794,220	1,297,285	2,151,775
Total Net of Agg	1,317,447	1,787,579	1,777,177	1,135,406	1,445,025
Loss Percentage (Direct)					
Fire Losses/Fire Prem	37.7%	106.03%	72.64%	47.83%	89.80%
Windstorm Losses/Windstorm Prem	43.5%	28.61%	28.54%	30.19%	37.67%
Crop Hail Losses/Crop Hail Prem	0.0%	0.00%	47.07%	16.07%	147.54%
Total Losses/Total Prem	40.5%	69.18%	51.21%	36.67%	73.37%
Loss Percentage (Net)					
Fire Losses/Fire Prem	37.7%	106.03%	72.64%	47.83%	84.96%
Windstorm Losses/Windstorm Prem	43.5%	28.61%	28.54%	30.19%	37.67%
Crop Hail Losses/Crop Hail Prem	0.0%	0.00%	0.00%	0.00%	0.00%
Total Losses/Total Prem	40.5%	69.34%	50.24%	38.29%	61.04%
Tot Net Agg Losses/Tot Net Agg Prem	54.6%	79.62%	72.49%	51.79%	61.04%
Balance Sheet Items					
Total Admitted Assets	6,092,308	5,794,184	6,003,239	5,851,378	5,590,219
Liabilities	1,946,505	1,989,690	2,101,871	1,763,866	1,794,388
Surplus	4,145,803	3,804,494	3,901,368	4,087,512	3,795,831
Bonds	4,794,746	4,445,680	4,735,611	4,528,478	4,104,632
Stocks	71,816	18,828	17,294	18,446	16,965
Real Estate	8,191	8,500	8,821	9,137	9,452
Unpaid Premium (line 8.1)	-	-	-	-	-
Unpaid Premium (line 8.2)	32,024	30,409	41,286	36,938	55,835
Agents' Balances	-	-	-	-	-
Unearned Premium	1,396,032	1,396,264	1,358,852	1,269,573	1,284,049
Balance Sheet Percentages					
Bonds/Admitted Assets	78.70%	76.73%	78.88%	77.39%	72.68%
Stocks/Admitted Assets	1.18%	0.33%	0.28%	0.32%	0.30%
Real Estate/Admitted Assets	0.13%	0.15%	0.15%	0.16%	0.10%
Unpaid Prem (line 8.2)/Admitted Assets	0.53%	0.53%	0.69%	0.63%	0.10%
Agents' Balances/Admitted Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Income/Disbursement Items					
Total Income	2,641,520	2,558,034	2,722,288	2,394,911	2,569,120
Total Disbursements	2,318,749	2,792,687	2,759,038	2,136,068	2,312,387
Operating Expense	925,379	958,775	869,236	850,337	858,871
Commissions	434,064	441,673	493,607	489,841	493,269
Investment Income	170,002	188,442	192,870	190,026	201,541
Salaries (lines 14-17)	198,282	153,659	125,384	121,147	119,953
Other					
Gross Risk in Force	979,209,884	972,131,010	964,574,118	963,483,464	965,092,682
Number of Policies	2,382	2,412	2,582	2,660	2,744
Operating Expense/Net Premium	38%	43%	35%	39%	36%