

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0058

**Sherrill Mutual Fire Insurance Association**

Peter Hagenson

P. O. Box 19

Sherrill IA 52073

**DECEMBER 31, 2020**

1. Ledger Assets, December 31 of previous year, Total column 1, page 4.....				\$ <u>3,134,275</u>
<b>INCOME - INCREASES IN LEDGER ASSETS</b>				
<b>PREMIUMS</b>				
	(1) Direct Premiums	(2) Reinsurance Premiums Assumed	(3) Specific Reinsurance Premiums Ceded	(4) Net Premiums (1+2-3=4)
2. Fire.....	\$ 801,239	\$	\$	\$ 801,239
3. Windstorm.....	458,593			458,593
4. Crop Hail.....				
Homeowner 5. Assumed.....	XXXXXXXX			
6. Totals.....	\$ 1,259,832	\$	\$	\$ 1,259,832
7. Aggregate excess loss reinsurance paid.....			263,362	
8. Total net assessment, premiums and fees (line 6, col. 4-line 7 = line 8) .....				\$ <u>996,470</u>
9. Net interest received on bonds.....			82,862	
10. Increase in adjustment of bonds <u>1,612</u> , less <u>4,076</u> decrease in adjustment of bonds.....			(2,464)	
11. Dividends received.....			2,207	
12. Interest received on bank deposits (schedule C-2, column 7).....			8,768	
13. Interest received on mortgage loans (schedule D, column 6).....				
14. Other interest.....				
15. Profit on sale of investment.....			475	
16. Rents received*.....			3,000	
17. Total income from investments (items 9 through 16).....				\$ <u>94,848</u>
18. Borrowed money.....				
19. Premiums collected for other companies (less refunds).....			139,581	
20. Checks charged off.....				
21. Increase in ledger liabilities.....			6,361	
22. Underwriting expense reimbursement.....				
23. Federal income tax refund.....				
24. Miscellaneous income.....			30,200	
25. Crop Hail Contingency Commission.....				
26. ....				
27. Total (items 18 through 26).....				\$ <u>176,142</u>
28. Total income (items 8, 17, and 27).....				\$ <u>1,267,460</u>
29. Total assets and income (item 1 plus item 28).....				\$ <u><u>4,401,735</u></u>

\*Includes \$3,000 for association's occupancy of its own buildings.

**DECEMBER 31, 2020**

1. Amount brought forward from line 29 page 2.....

\$ 4,401,735

**DISBURSEMENTS - DECREASES IN LEDGER ASSETS**

	LOSSES			
	(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsurance Recovered	(4) Net Losses Paid (1+2-3=4)
2. Fire.....	\$ 147,164	\$	\$	\$ 147,164
3. Windstorm.....	723,392			723,392
4. Crop Hail .....				
5. Homeowners Assumed.....	XXXXXXXXXX			
6. Totals.....	\$ 870,556	\$	\$	\$ 870,556

7. Received from aggregate excess loss reinsurance..... 290,250

8. Total of all net losses (line 6, column 4 - line 7 = line 8).....

\$ 580,306

**OPERATING EXPENSE**

- 9. Loss Adjustment Expenses.....
- 10. Commissions.....
- 11. Advertising.....
- 12. Boards, bureaus and associations.....
- 13. Inspection and loss prevention.....
- 14. Salaries of officers.....
- 15. Expenses of officers.....
- 16. Salaries of office employees.....
- 17. Employee welfare.....
- 18. Insurance.....
- 19. Directors' compensation.....
- 20. Directors' expenses.....
- 21. Rent and rent items.....
- 22. Equipment.....
- 23. Printing, stationery and supplies.....
- 24. Postage and telephone .....
- 25. Legal and auditing.....
- 26. State insurance taxes (March 1, 774 ) (June 1, 6,045 ) (August 15, 6,045 )
- 27. Insurance Division licenses and fees.....
- 28. Payroll taxes.....
- 29. All other taxes (excluding Federal income).....
- 30. Real estate expenses.....
- 31. Real estate taxes.....
- 32. Interest on borrowed money.....
- 33. Miscellaneous.....
  - a. Annual Meeting.....
  - b. Donations/Contributions.....
  - c. Travel and Travel Items.....
  - d. Over and Short.....
- 34. ....
- 35. Total operating expense (items 9 through 34).....

32,965
187,376
5,705
7,560
54,160
30,000
2,164
85,253
11,382
11,853
3,050
270
3,000
19,398
2,527
6,910
19,354
12,864
409
21,362
3,308
722
22
1,506
1,520
690

\$ 525,330

**NON-OPERATING EXPENSE**

- 36. Borrowed money repaid.....
- 37. Depreciation on real estate.....
- 38. Loss on sale of investments.....
- 39. Federal income tax Prior year, 888 Current year, 5,104 .....
- 40. Premium collections transmitted to other companies.....
- 41. Commission paid agents for other companies.....
- 42. Decrease in ledger liabilities.....
- 43. Federal income tax penalty/interest.....
- 44. Total non-operating expense (items 36 through 43).....
- 45. Total disbursements (items 8, 35, and 44).....
- 46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4...

1,874
5,992
114,292
19,849

142,007

\$ 1,247,643

\$ 3,154,092

**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).....	\$ 2,228,740	\$	\$ 132,752	\$ 2,095,988	\$ 2,290,103
2. Stocks (schedule A-part 2).....	159,109	89,423		248,532	98,084
3. Bank Balances					
3.1 Subject to check(C-1).....	174,908			174,908	94,188
3.2 On interest (C-2).....	557,277			557,277	523,849
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	26,869			26,869	28,742
7. Cash in office.....	56			56	104
8. Unpaid Premiums					
8.1 Due before Nov 1.....				X X X X X X	X X X X X X
8.2 Due after Nov 1.....		4,500		4,500	2,224
9. Bills receivable.....				X X X X X X	X X X X X X
10. Agent's balances.....					
11. Reinsurance receivable on paid losses.....					
12. Accrued interest.....	X X X X X X	17,842		17,842	18,479
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	2,519		2,519	X X X X X X	X X X X X X
15. Supplies.....				X X X X X X	X X X X X X
16. Automobiles.....				X X X X X X	X X X X X X
17. Cash surrender value of life ins.					
18. Federal Inc. tax recoverable....					
19. Electronic data processing equipment.....	4,614		3,864	750	1,475
20. Service fees & misc receivables.		9,837		9,837	
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 3,154,092	\$ 121,602	\$ 139,135	\$ 3,136,559	\$ 3,057,248

\*Bonds are amortized through 12/31/20.

**LIABILITIES - DECEMBER 31, 2020**

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 45,869		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	45,869		
4. Less: reinsurance recoverable on unpaid losses.....	17,500		
5. Net unpaid claims.....		\$ 28,369	\$ 37,792
6. Unpaid adjusting expenses.....		900	1,800
7. Ceded reinsurance balances payable.....		22,671	21,818
8. Unpaid salaries and commissions.....		37,600	16,306
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		5,780	3,355
12. Taxes payable: Real estate.....		362	706
Federal Income.....		1,000	2,000
Premium.....		508	774
Other.....		2,760	1,753
13. Other unpaid expenses.....		2,288	1,564
14. Premiums collected for other companies - not remitted.....		9,827	7,620
15. Premiums received in advance.....		24,600	29,085
16. *Unearned premium reserve.....		507,000	480,000
17. Service Fees and Employee Benefits Payable.....		2,027	1,040
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 645,692	\$ 605,613
20. Surplus.....		\$ 2,490,867	\$ 2,451,635
21. Total liabilities and surplus.....		\$ 3,136,559	\$ 3,057,248

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

\*Method of calculation: 40% method.

## HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
<b>Gross Premium</b>					
Fire.....	801,239	772,569	723,401	651,590	636,603
Windstorm.....	458,593	436,383	408,084	383,130	357,085
Crop Hail.....	0	0	0	0	0
Total.....	1,259,832	1,208,952	1,131,485	1,034,720	993,688
<b>Net Premium Written</b>					
Fire.....	801,239	772,569	723,401	651,590	636,603
Windstorm.....	458,593	436,383	408,084	383,130	357,085
Crop Hail.....	0	0	0	0	0
Total.....	1,259,832	1,208,952	1,131,485	1,034,720	993,688
Total Net of Agg.....	996,470	955,360	830,230	734,154	704,152
<b>Gross Losses Paid</b>					
Fire.....	147,164	315,691	422,456	128,707	228,344
Windstorm.....	723,392	164,150	48,738	292,127	108,785
Crop Hail.....	0	0	0	0	0
Total.....	870,556	479,841	471,194	420,834	337,129
<b>Net Losses Paid</b>					
Fire.....	147,164	315,691	422,456	128,707	228,344
Windstorm.....	723,392	164,150	48,738	292,127	108,785
Crop Hail.....	0	0	0	0	0
Total.....	870,556	479,841	471,194	420,834	337,129
Total Net of Agg.....	580,306	406,424	350,887	420,834	337,129
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem.....	18 %	41 %	58 %	20 %	36 %
Windstorm Losses/Windstorm Prem.....	158 %	38 %	12 %	76 %	30 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	69 %	40 %	42 %	41 %	34 %
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem.....	18 %	41 %	58 %	20 %	36 %
Windstorm Losses/Windstorm Prem.....	158 %	38 %	12 %	76 %	30 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	69 %	40 %	42 %	41 %	34 %
Total Net Agg Losses/Total Net Ag Prem	58 %	43 %	42 %	57 %	48 %
<b>Balance Sheet Items</b>					
Total Admitted Assets.....	3,136,558	3,057,250	2,837,109	2,675,262	2,750,439
Liabilities.....	645,691	605,613	689,897	581,808	486,714
Surplus.....	2,490,867	2,451,637	2,147,212	2,093,454	2,263,725
Bonds.....	2,095,987	2,290,103	2,354,180	1,964,720	1,284,432
Stocks.....	248,532	98,085	19,315	17,993	17,231
Real Estate.....	26,869	28,742	8,577	9,207	9,845
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	4,500	2,224	4,302	6,808	0
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	507,000	480,000	451,000	421,000	392,000
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets.....	67 %	75 %	83 %	73 %	47 %
Stocks/Admitted Assets.....	8 %	3 %	1 %	1 %	1 %
Real Estate/Admitted Assets.....	1 %	1 %	0 %	0 %	0 %
Unpaid Prem (line 8.2)/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
Agents' Balances/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
<b>Income/Disbursement Items</b>					
Total Income.....	1,267,463	1,180,715	1,039,358	850,031	798,616
Total Disbursements.....	1,247,646	966,629	860,993	831,761	633,657
Operating Expense.....	525,333	439,729	401,059	391,730	282,706
Commissions.....	187,376	181,249	169,839	161,816	97,240
Investment Income.....	94,850	99,202	92,947	80,624	72,968
Salaries (lines 14-17).....	128,799	100,736	85,120	76,449	60,161
<b>Other</b>					
Gross Risk in Force.....	443,566,718	406,551,167	372,334,275	331,492,024	315,726,270
Number of Policies.....	1,081	1,054	1,020	988	959
Operating Expense/Net Premium.....	53 %	46 %	48 %	53 %	40 %