

December 31, 2020 - Annual Statement

Iowa Company Number: 0062

Farmers Mutual Insurance Association

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DECEMBER 31, 2020

1. Ledger Assets, December 31 of previous year, Total column 1, page 4..... \$ 4,847,410

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.....	\$ 2,069,345	\$	\$ 2,069,345
3. Windstorm.....	44,674		44,674
4. Crop Hail.....			
Homeowner 5. Assumed.....	XXXXXXX		
6. Totals.....	\$ 2,114,019	\$	\$ 2,114,019

7. Aggregate excess loss reinsurance paid..... 558,418

8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8) \$ 1,555,601

9. Net interest received on bonds..... 110,284

10. Increase in adjustment of bonds 1,975 , less
13,424 decrease in adjustment of bonds..... (11,449)

11. Dividends received..... 19,550

12. Interest received on bank deposits (schedule C-2, column 7)..... 2,169

13. Interest received on mortgage loans (schedule D, column 6)..... _____

14. Other interest..... _____

15. Profit on sale of investment..... 35,555

16. Rents received*..... 3,000

17. Total income from investments (items 9 through 16)..... \$ 159,109

18. Borrowed money..... _____

19. Premiums collected for other companies (less refunds)..... 181,439

20. Checks charged off..... _____

21. Increase in ledger liabilities..... 5,072

22. Underwriting expense reimbursement..... _____

23. Federal income tax refund..... _____

24. Miscellaneous income..... 50

25. Crop Hail Contingency Commission..... _____

26. _____

27. Total (items 18 through 26)..... \$ 186,561

28. Total income (items 8, 17, and 27)..... \$ 1,901,271

29. Total assets and income (item 1 plus item 28)..... \$ 6,748,681

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

DECEMBER 31, 2020

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

\$ 6,748,681

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.....	\$ 507,623	\$	\$ 507,623
3. Windstorm.....	281,331		281,331
4. Crop Hail			
5. Homeowners Assumed.....	XXXXXXXXXX		
6. Totals.....	\$ 788,954	\$	\$ 788,954

7. Received from aggregate excess loss reinsurance..... 39,728

8. Total of all net losses (line 6, column 4 - line 7 = line 8)..... \$ 749,226

OPERATING EXPENSE

9. Loss Adjustment Expenses.....	<u>35,680</u>
10. Commissions.....	<u>297,183</u>
11. Advertising.....	<u>3,263</u>
12. Boards, bureaus and associations.....	<u>7,831</u>
13. Inspection and loss prevention.....	<u>48,592</u>
14. Salaries of officers.....	<u>67,302</u>
15. Expenses of officers.....	
16. Salaries of office employees.....	<u>36,934</u>
17. Employee welfare.....	<u>33,703</u>
18. Insurance.....	<u>15,667</u>
19. Directors' compensation.....	<u>4,129</u>
20. Directors' expenses.....	<u>1,014</u>
21. Rent and rent items.....	<u>3,029</u>
22. Equipment.....	<u>29,243</u>
23. Printing, stationery and supplies.....	<u>3,256</u>
24. Postage and telephone	<u>25,407</u>
25. Legal and auditing.....	<u>14,073</u>
26. State insurance taxes (March 1, 2,054) (June 1, 9,792) (August 15, 9,792)	<u>21,638</u>
27. Insurance Division licenses and fees.....	<u>411</u>
28. Payroll taxes.....	<u>14,692</u>
29. All other taxes (excluding Federal income).....	
30. Real estate expenses.....	<u>5,655</u>
31. Real estate taxes.....	<u>733</u>
32. Interest on borrowed money.....	
33. Miscellaneous.....	
a. Annual Meeting.....	
b. Donations/Contributions.....	<u>400</u>
c. Travel and Travel Items.....	<u>353</u>
d. Over and Short.....	<u>1,076</u>
34.	
35. Total operating expense (items 9 through 34).....	\$ <u>671,264</u>

NON-OPERATING EXPENSE

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	<u>1,616</u>
38. Loss on sale of investments.....	<u>64,252</u>
39. Federal income tax Prior year, 30,922 Current year, 36,448	<u>67,370</u>
40. Premium collections transmitted to other companies.....	<u>143,537</u>
41. Commission paid agents for other companies.....	<u>26,915</u>
42. Decrease in ledger liabilities.....	
43. Federal income tax penalty/interest.....	
44. Total non-operating expense (items 36 through 43).....	<u>303,690</u>
45. Total disbursements (items 8, 35, and 44).....	\$ <u>1,724,180</u>
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4...	\$ <u>5,024,501</u>

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).....	\$ 3,329,854	\$	\$	\$ 3,329,854	\$ 3,295,747
2. Stocks (schedule A-part 2).....	1,029,234	271,306		1,300,540	1,080,749
3. Bank Balances					
3.1 Subject to check(C-I).....	239,507			239,507	234,551
3.2 On interest (C-2).....	388,655			388,655	301,486
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	25,802			25,802	27,418
7. Cash in office.....	100			100	100
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.....		8,081		8,081	15,198
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	26,322		26,322	27,821
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	4,937		4,937	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.....	6,411		1,003	5,408	10,174
20. Service fees & misc receivables.					11,085
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 5,024,500	\$ 305,709	\$ 5,940	\$ 5,324,269	\$ 5,004,329

Bonds Are Amortized through 12/31/2020.

LIABILITIES - DECEMBER 31, 2020

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 169,506		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	169,506		
4. Less: reinsurance recoverable on unpaid losses.....	41,772		
5. Net unpaid claims.....		\$ 127,734	\$ 232,777
6. Unpaid adjusting expenses.....		6,000	7,200
7. Ceded reinsurance balances payable.....		47,574	46,189
8. Unpaid salaries and commissions.....		27,392	26,764
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		4,015	1,795
12. Taxes payable: Real estate.....		733	680
Federal Income.....			33,000
Premium.....		1,556	2,054
Other.....		1,410	650
13. Other unpaid expenses.....		105	53
14. Premiums collected for other companies - not remitted.....		11,408	10,690
15. Premiums received in advance.....		43,232	23,201
16.* Unearned premium reserve.....		800,000	750,000
17. Service Fees and Employee Benefits Payable.....		664	599
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 1,071,823	\$ 1,135,652
20. Surplus.....		\$ 4,252,446	\$ 3,868,677
21. Total liabilities and surplus.....		\$ 5,324,269	\$ 5,004,329

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

*Method of calculation: 40% method.

HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
Gross Premium					
Fire.....	2,069,345	1,915,109	1,713,020	1,546,150	1,415,157
Windstorm.....	44,674	43,267	39,945	38,082	33,362
Crop Hail.....	0	0	0	0	0
Total.....	2,114,019	1,958,376	1,752,965	1,584,232	1,448,519
Net Premium Written					
Fire.....	2,069,345	1,915,109	1,713,020	1,546,150	1,415,157
Windstorm.....	44,674	43,267	39,945	38,082	33,362
Crop Hail.....	0	0	0	0	0
Total.....	2,114,019	1,958,376	1,752,965	1,584,232	1,448,519
Total Net of Agg.....	1,555,601	1,432,052	1,251,832	1,075,505	1,024,466
Gross Losses Paid					
Fire.....	507,623	361,291	287,347	249,255	158,530
Windstorm.....	281,331	212,188	315,132	1,172,354	130,769
Crop Hail.....	0	0	0	0	0
Total.....	788,954	573,479	602,479	1,421,609	289,299
Net Losses Paid					
Fire.....	507,623	361,291	287,347	249,255	158,530
Windstorm.....	281,331	212,188	315,132	1,172,354	130,769
Crop Hail.....	0	0	0	0	0
Total.....	788,954	573,479	602,479	1,421,609	289,299
Total Net of Agg.....	749,226	571,766	473,259	1,062,021	287,043
Loss Percentage (Direct)					
Fire Losses/Fire Prem.....	25 %	19 %	17 %	16 %	11 %
Windstorm Losses/Windstorm Prem.....	630 %	490 %	789 %	3,078 %	392 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	37 %	29 %	34 %	90 %	20 %
Loss Percentage (Net)					
Fire Losses/Fire Prem.....	25 %	19 %	17 %	16 %	11 %
Windstorm Losses/Windstorm Prem.....	630 %	490 %	789 %	3,078 %	392 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	37 %	29 %	34 %	90 %	20 %
Total Net Agg Losses/Total Net Ag Prem	48 %	40 %	38 %	99 %	28 %
Balance Sheet Items					
Total Admitted Assets.....	5,324,268	5,004,329	4,389,379	4,233,559	4,517,335
Liabilities.....	1,071,822	1,135,650	919,494	714,970	706,743
Surplus.....	4,252,446	3,868,679	3,469,885	3,518,589	3,810,592
Bonds.....	3,329,854	3,295,747	2,738,153	2,489,929	2,663,031
Stocks.....	1,300,540	1,080,749	1,280,173	1,398,279	1,266,184
Real Estate.....	25,802	27,418	11,625	12,119	12,613
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	8,081	15,198	12,235	2,560	4,081
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	800,000	750,000	675,000	605,000	550,000
Balance Sheet Percentages					
Bonds/Admitted Assets.....	63 %	66 %	62 %	59 %	59 %
Stocks/Admitted Assets.....	24 %	22 %	29 %	33 %	28 %
Real Estate/Admitted Assets.....	0 %	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 %
Income/Disbursement Items					
Total Income.....	1,901,269	1,956,269	1,569,571	1,374,525	1,449,631
Total Disbursements.....	1,724,180	1,413,361	1,285,146	1,825,398	956,291
Operating Expense.....	671,263	643,311	631,211	615,998	541,444
Commissions.....	297,183	294,897	240,892	216,099	197,331
Investment Income.....	159,107	355,740	170,150	169,451	286,340
Salaries (lines 14-17).....	137,939	124,183	175,913	176,783	199,413
Other					
Gross Risk in Force.....	764,553,733	712,561,132	626,847,619	488,944,567	438,447,121
Number of Policies.....	2,115	2,051	1,927	1,826	1,715
Operating Expense/Net Premium.....	43 %	45 %	50 %	57 %	53 %