

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0067

**Farmers Mutual Insurance Association**

Janet Twigg  
108 North Vine St., PO Box 390  
Jefferson IA 50129

**DECEMBER 31, 2020**

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

\$ 4,714,350

**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	\$ 651,011	\$	\$ 651,011	
3. Windstorm	480,875		480,875	
4. Crop hail				
5. Homeowners assumed	xxxxxxx			
6. Totals	\$ 1,131,886	\$	\$ 1,131,886	
7. Aggregate excess loss reinsurance paid			251,576	
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)				\$ 880,310
9. Net interest received on bonds			84,350	
10. Increase in adjustment of bonds \$		3,208		
\$	6,242	decrease in adjustment of bonds	(3,034)	
11. Dividends received			67,557	
12. Interest received on bank deposits (schedule C-2, column 7)			3,262	
13. Interest received on mortgage loans (schedule D, column 6)				
14. Other Interest				
15. Profit on sale of investment			4,368	
16. Rents received*			5,100	
17. Total income from investments (items 9 through 16)				\$ 161,603
18. Borrowed money				
19. Premiums collected for other companies (less refunds)				
20. Checks charged off				
21. Increase in ledger liabilities (12/31/19=\$8538) (12/31/20=\$29,099)			20,561	
22. Fire adjusting expense reimbursement			17,734	
23. Federal income tax refund				
24. Miscellaneous income			461	
25. GMRC Contingency Check			9,756	
26. PPP Loan Forgiveness			10,500	
27. Total (items 18 through 26)				\$ 59,012
28. Total income (items 8, 17 and 27)				\$ 1,100,924
29. Total assets and income (item 1 plus item 28)				\$ 5,815,274

\*Includes \$ 2,400 For association's occupancy of its own buildings

**DECEMBER 31, 2020**

1. Amount brought forward from line 29 page 2

\$ 5,815,274

**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.	\$ 254,024	\$	\$	\$ 254,024
3. Windstorm	1,426,425		832,973	593,452
4. Crop Hail				
5. Homeowners Assumed	xxxxxxx			
6. Totals	\$ 1,680,449	\$	\$ 832,973	\$ 847,476

7. Received from aggregate excess loss reinsurance

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

\$ 847,476

**OPERATING EXPENSE**

9. Loss Adjustment Expenses				
10. Commissions				120,282
11. Advertising				3,775
12. Boards, bureaus and associations				6,233
13. Inspection and loss prevention				
14. Salaries of officers.				79,833
15. Expenses of officers				
16. Salaries of office employees				16,418
17. Employee welfare				13,063
18. Insurance				24,825
19. Directors' compensation				
20. Directors' expenses				22,900
21. Rent and rent items				2,400
22. Equipment				8,233
23. Printing, stationery and supplies				19,835
24. Postage and telephone				9,540
25. Legal and auditing				21,661
26. State insurance taxes				
	March 1			
	June 1	August 15		
	5,363	5,411		10,774
27. Insurance Division licenses and fees				210
28. Payroll taxes				7,415
29. All other taxes (excluding Federal income)				
30. Real estate expenses				45,338
31. Real estate taxes				5,574
32. Interest on borrowed money				
33. Miscellaneous				7,516
a Education/Conventions				470
b Donations/Contributions				7,021
c Travel and Travel Items				1,602
d Over and Short				39
e Equipment Expense				9,797
34. .				
35. Total operating expense (items 9 through 34)				\$ 444,754

**NON-OPERATING EXPENSE**

36. Borrowed money repaid				
37. Depreciation on real estate				160
38. Loss on sale of investments				180
39. Federal income tax				
Prior year	34,512			
Current year		68,000		102,512
40. Premium collections transmitted to other companies				
41. Commissions paid agents for other companies				
42. Decrease in ledger liabilities				
43. .				
44. Total non-operating expense (items 36 through 43)				\$ 102,852
45. Total disbursements (items 8, 35 and 44)				\$ 1,395,082
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4				\$ 4,420,193

## 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)	\$ 2,287,313	\$ 152,337		2,439,650	\$ 2,692,034
2. Stocks (schedule A-part 2)	1,729,418	1,069,031		2,798,449	\$ 2,341,955
3. Bank Balances					
3.1 Subject to check (C-1)	(111,162)			(111,162)	\$ 199,823
3.2 On interest (C-2)	470,669			470,669	\$ 347,236
4. Mortgage loans (schedule D)					
4.1 First liens					\$ -
4.2 Other than first					\$ -
5. Collateral loans (schedule E)					\$ -
6. Real estate (schedule F)	43,905			43,905	\$ 44,065
7. Cash in office	50			50	\$ 50
8. Unpaid Premiums					
8.1 Due before November 1		2,167	2,167	xxxxxxx	xxxxxxx
8.2 Due after November 1		11,091		11,091	\$ 24,210
9. Bills receivable				xxxxxxx	xxxxxxx
10. Agents' balances					\$ -
11. Reinsurance receivable on paid losses		143,456		143,456	\$ -
12. Accrued interest	xxxxxxx	23,674		23,674	\$ 20,775
13. Accrued rent due	xxxxxxx				\$ -
14. Equipment and furniture		84	84	xxxxxxx	xxxxxxx
15. Supplies				xxxxxxx	xxxxxxx
16. Automobiles				xxxxxxx	xxxxxxx
17. Cash surrender value of life ins.					\$ -
18. Federal income tax recoverable					\$ -
19. .					\$ -
20. .					\$ -
21. .					\$ -
22. Totals	\$ 4,420,193	\$ 1,401,840	\$ 2,251	\$ 5,819,782	\$ 5,670,148

**LIABILITIES - DECEMBER 31, 2020**

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 812,611		
2. Unpaid claims (incurred but not reported)			
3. Total unpaid losses	812,611		
4. Less: reinsurance recoverable on unpaid losses	693,534		
5. Net unpaid claims		\$ 119,077	\$ 56,500
6. Unpaid adjusting expenses		1,941	
7. Ceded reinsurance balances payable		21,024	20,324
8. Unpaid salaries and commissions		19,404	
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others		6,068	5,051
12. Taxes payable: Real Estate		5,574	4,246
Federal Income			35,000
Premium (11,319 - 10774) - 48		497	(48)
Other		3,627	3,487
13. Other unpaid expenses		2,500	2,500
14. Premiums collected for other companies - not remitted		7,958	7,329
15. Premiums received in advance		27,710	30,691
*16. Unearned premium reserve		446,526	428,919
17. Service Fees and Employee Benefits Payable			
18. Miscellaneous Liabilities			
19. Total liabilities		\$ 681,906	\$ 593,999
20. Surplus		\$ 5,157,876	\$ 5,076,149
21. Total liabilities and surplus		\$ 5,819,782	\$ 5,670,148

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

\*Method of calculation:

Direct Fire Premiums (Page 2, Line 2, Column 1).....	651,011
Direct Wind Premiums (Page 2, Line 3, Column 1).....	480,875
Less: Non Refundable Fire & Wind Policy Fees Included in Premiums.....	(7,600)
Add: Reinsurance Homeowners	
Premiums Assumed (Page 2, Line 5, Column 2).....	-
Add: Unpaid Premiums (Page 4, Line 8.2, Column 4).....	11,091
Less: Premiums Received in Advance (Page 5, Line 15).....	(27,710)
Subtotal:	<u>1,109,835</u>
Less: Unpaid Premiums (Prior Year) Page 4, Line 8.2, Column 4	(24,210)
Add: Premiums Received in Advance (Prior Year) Page 5, Line 15	<u>30,691</u>
	1,116,316
Rate	40%
Unearned Premium Re	<u>446,526</u>

## HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
<b>Gross Premium</b>					
Fire	651,011	620,154	625,625	596,787	557,695
Windstorm	480,875	462,071	461,296	428,583	382,391
Crop Hail	-	-	-	-	-
<b>Total</b>	<b>1,131,886</b>	<b>1,082,225</b>	<b>1,086,921</b>	<b>1,025,370</b>	<b>940,086</b>
<b>Net Premiums Written</b>					
Fire	651,011	620,154	625,625	596,787	557,640
Windstorm	480,875	462,071	461,296	428,583	382,391
Crop Hail	-	-	-	-	-
<b>Total</b>	<b>1,131,886</b>	<b>1,082,225</b>	<b>1,086,921</b>	<b>1,025,370</b>	<b>940,031</b>
<b>Total Net of Agg</b>	<b>880,310</b>	<b>838,686</b>	<b>848,449</b>	<b>795,062</b>	<b>718,049</b>
<b>Gross Losses Paid</b>					
Fire	254,024	311,265	302,428	170,459	290,923
Windstorm	1,426,425	80,360	164,887	62,531	151,084
Crop Hail	-	-	-	-	-
<b>Total</b>	<b>1,680,449</b>	<b>391,625</b>	<b>467,315</b>	<b>232,990</b>	<b>442,007</b>
<b>Net Losses Paid</b>					
Fire	254,024	311,265	302,428	170,459	290,923
Windstorm	593,452	80,360	164,887	62,531	151,084
Crop Hail	-	-	-	-	-
<b>Total</b>	<b>847,476</b>	<b>391,625</b>	<b>467,315</b>	<b>232,990</b>	<b>442,007</b>
<b>Total Net of Agg</b>	<b>847,476</b>	<b>391,625</b>	<b>467,315</b>	<b>161,080</b>	<b>416,638</b>
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem	39.0%	50.2%	48.3%	28.6%	52.2%
Windstorm Losses/Windstorm Prem	296.6%	17.4%	35.7%	14.6%	39.5%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Losses/Total Prem</b>	<b>148.5%</b>	<b>36.2%</b>	<b>43.0%</b>	<b>22.7%</b>	<b>47.0%</b>
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem	39.0%	50.2%	48.3%	28.6%	52.2%
Windstorm Losses/Windstorm Prem	123.4%	17.4%	35.7%	14.6%	40.0%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Losses/Total Prem</b>	<b>74.9%</b>	<b>36.2%</b>	<b>43.0%</b>	<b>22.7%</b>	<b>47.0%</b>
<b>Tot Net Agg Losses/Tot Net Agg Prem</b>	<b>96.3%</b>	<b>46.7%</b>	<b>55.1%</b>	<b>20.3%</b>	<b>58.0%</b>
<b>Balance Sheet Items</b>					
Total Admitted Assets	5,821,950	5,670,148	4,985,474	5,063,576	4,244,046
Liabilities	661,906	593,999	606,130	624,996	538,700
Surplus	5,160,044	5,076,149	4,379,343	4,438,580	3,705,346
Bonds	2,439,650	2,692,034	2,613,388	2,567,748	1,995,431
Stocks	2,798,449	2,341,955	1,906,105	2,003,616	1,687,043
Real Estate	43,905	44,065	44,225	45,186	46,947
Unpaid Premium (line 8.1)	-	1,465	401	-	523
Unpaid Premium (line 8.2)	13,259	24,210	21,236	20,838	26,076
Agents' Balances	-	-	-	-	11,253
Unearned Premium	446,526	428,919	428,966	404,558	380,344
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets	42%	47%	52%	51%	47%
Stocks/Admitted Assets	48%	41%	38%	40%	40%
Real Estate/Admitted Assets	1%	1%	1%	1%	1%
Unpaid Prem (line 8.2)/Admitted Assets	0%	0%	0%	0%	1%
Agents' Balances/Admitted Assets	0%	0%	0%	0%	0%
<b>Income/Disbursement Items</b>					
Total Income	1,100,924	1,106,094	1,064,545	1,076,752	898,375
Total Disbursements	1,395,082	791,118	1,003,495	564,223	767,201
Operating Expense	444,754	376,217	419,833	384,854	336,501
Commissions	120,282	105,640	117,909	109,583	93,184
Investment Income	161,603	255,120	214,780	265,607	178,632
Salaries (lines 14-17)	109,314	116,985	116,393	112,853	109,240
<b>Other</b>					
Gross Risk in Force	333,284,861	327,222,888	311,435,657	289,283,159	272,272,898
Number of Policies	728	714	714	681	667
Operating Expense/Net Premium	51%	45%	49%	48%	47%