

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0076

**Howard County Mutual Insurance Association**

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P. O. Box 87

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**DECEMBER 31, 2020**

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 . . . . . \$ 5,455,105

**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	\$ 980,798	\$	\$ 26,560	\$ 954,238
3. Windstorm	724,034		26,560	697,474
4. Crop hail				
5. Homeowners assumed	xxxxxxx			
6. Totals	\$ 1,704,832	\$	\$ 53,120	\$ 1,651,712
7. Aggregate excess loss reinsurance paid				388,992
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)				\$ 1,262,720
9. Net interest received on bonds				107,581
10. Increase in adjustment of bonds \$		1,890	, less	
\$	10,056	decrease in adjustment of bonds		(8,166)
11. Dividends received				54,760
12. Interest received on bank deposits (schedule C-2, column 7)				1,482
13. Interest received on mortgage loans (schedule D, column 6)				
14. Other Interest				
15. Profit on sale of investment				81,712
16. Rents received*				9,600
17. Total income from investments (items 9 through 16)				\$ 246,969
18. Borrowed money				
19. Premiums collected for other companies (less refunds)				
20. Checks charged off				
21. Increase in ledger liabilities				
22. Underwriting expense reimbursement				8,464
23. Federal income tax refund				
24. Miscellaneous income				
25.				
26.				
27. Total (items 18 through 26)				\$ 8,464
28. Total income (items 8, 17 and 27)				\$ 1,518,153
29. Total assets and income (item 1 plus item 28)				\$ 6,973,258

\*Includes \$ 6,000 For association's occupancy of its own buildings

## DECEMBER 31, 2020

1. Amount brought forward from line 29 page 2 \$ 6,973,258

### 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.	\$	492,632	\$	\$	\$ 492,632
3. Windstorm		345,565			345,565
4. Crop Hail					
5. Homeowners Assumed		xxxxxxx			
6. Totals	\$	838,197	\$	\$	\$ 838,197

7. Received from aggregate excess loss reinsurance 316,853

8. Total of all net losses (line 6, col.4 - line 7 = line 8) \$ 521,344

### OPERATING EXPENSE

9. Loss Adjustment Expenses					4,451
10. Commissions					252,907
11. Advertising					3,183
12. Boards, bureaus and associations					8,032
13. Inspection and loss prevention					6,676
14. Salaries of officers.					121,849
15. Expenses of officers					1,376
16. Salaries of office employees					80,263
17. Employee welfare					10,737
18. Insurance					15,913
19. Directors' compensation					8,250
20. Directors' expenses					2,643
21. Rent and rent items					6,000
22. Equipment					8,583
23. Printing, stationery and supplies					2,564
24. Postage and telephone					7,137
25. Legal and auditing					19,225
26. State insurance taxes		March 1			
	June 1	7,701	August 15	8,584	16,285
27. Insurance Division licenses and fees					594
28. Payroll taxes					15,676
29. All other taxes (excluding Federal income)					
30. Real estate expenses					9,935
31. Real estate taxes					3,913
32. Interest on borrowed money					
33. Miscellaneous					3
a Donations					2,275
b Data Processing					12,236
c Agency Expense Reimbursement					(1,800)
d Travel, Meals & Entertainment					148
34. Investment fees & bank charges					14,815
35. Total operating expense (items 9 through 34)					\$ 633,869

### NON-OPERATING EXPENSE

36. Borrowed money repaid					
37. Depreciation on real estate					3,291
38. Loss on sale of investments					28,829
39. Federal income tax		20,266	Current year	47,600	67,866
40. Premium collections transmitted to other companies					
41. Commissions paid agents for other companies					
42. Decrease in ledger liabilities					4,553
43. .					
44. Total non-operating expense (items 36 through 43)					\$ 104,539
45. Total disbursements (items 8, 35 and 44)					\$ 1,259,752
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4					\$ 5,713,506

## 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)	\$ 3,155,487		\$ 1,629	3,153,858	\$ 3,057,253
2. Stocks (schedule A-part 2).	1,659,918	471,936		2,131,854	\$ 1,995,399
3. Bank Balances					
3.1 Subject to check (C-1)	181,990			181,990	\$ 138,850
3.2 On interest (C-2)	85,767			85,767	\$ 84,286
4. Mortgage loans (schedule D)					
4.1 First liens					
4.2 Other than first					
5. Collateral loans (schedule E)					
6. Real estate (schedule F)	78,525			78,525	\$ 81,816
7. Cash in office	100			100	\$ 100
8. Unpaid Premiums					
8.1 Due before November 1				xxxxxxx	
8.2 Due after November 1	339,559		332,054	7,505	\$ 6,646
9. Bills receivable				xxxxxxx	
10. Agents' balances					
11. Reinsurance receivable on paid losses					\$ 81,459
12. Accrued interest	xxxxxxx	26,786		26,786	\$ 27,018
13. Accrued rent due	xxxxxxx				
14. Equipment and furniture				xxxxxxx	xxxxxxx
15. Supplies				xxxxxxx	xxxxxxx
16. Automobiles				xxxxxxx	xxxxxxx
17. Cash surrender value of life ins.					
18. Federal income tax recoverable					
19. Prepaid Reinsurance	200,000			200,000	\$ 150,000
20. Overwrite Fees/Prepaid Ins Reins Prem Refundable/Due from Subsidiary	12,160	739	12,160	739	\$ 773
21. from Subsidiary		36,409		36,409	\$ 32,293
22. Totals	\$ 5,713,506	\$ 535,870	\$ 345,843	\$ 5,903,533	\$ 5,655,893

## LIABILITIES - DECEMBER 31, 2020

	Current Year	Prior Year
1. Unpaid claims (reported)	\$ 48,431	
2. Unpaid claims (incurred but not reported)	13,000	
3. Total unpaid losses	61,431	
4. Less: reinsurance recoverable on unpaid losses		
5. Net unpaid claims	\$ 61,431	\$ 179,191
6. Unpaid adjusting expenses	400	2,900
7. Ceded reinsurance balances payable		
8. Unpaid salaries and commissions	21,996	33,460
9. Borrowed money		
10. Interest due on borrowed money		
11. Amounts withheld for the account of others	6,865	5,766
12. Taxes payable: Real Estate	4,100	3,750
Federal Income	4,100	8,400
Premium	(385)	(883)
Other		
13. Other unpaid expenses	3,480	3,489
14. Premiums collected for other companies - not remitted	9,054	9,373
15. Premiums received in advance	21,786	14,001
*16. Unearned premium reserve	518,998	531,110
17.		
18.		
19. Total liabilities	\$ 651,825	\$ 790,557
20. Surplus	\$ 5,251,708	\$ 4,865,336
21. Total liabilities and surplus	\$ 5,903,533	\$ 5,655,893

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

\*Method of calculation: Actual, daily pro-rata

## HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
<b>Gross Premium</b>					
Fire	980,798	999,238	1,053,773	1,015,321	1,010,673
Windstorm	724,034	729,454	757,400	723,524	720,067
Crop Hail	-	-	-	-	-
Total	1,704,832	1,728,692	1,811,173	1,738,845	1,730,740
<b>Net Premiums Written</b>					
Fire	954,238	987,286	1,047,586	1,009,380	1,006,731
Windstorm	697,474	717,502	751,212	717,583	716,124
Crop Hail	-	-	-	-	-
Total	1,651,712	1,704,788	1,798,798	1,726,963	1,722,855
Total Net of Agg	1,262,720	1,261,303	1,393,535	1,311,649	1,317,204
<b>Gross Losses Paid</b>					
Fire	492,632	211,959	268,631	285,512	405,978
Windstorm	345,565	791,812	407,059	455,376	90,357
Crop Hail	-	-	-	-	-
Total	838,197	1,003,771	675,690	740,888	496,335
<b>Net Losses Paid</b>					
Fire	492,632	211,959	268,631	285,512	405,978
Windstorm	345,565	791,812	407,059	455,376	90,357
Crop Hail	-	-	-	-	-
Total	838,197	1,003,771	675,690	740,888	496,335
Total Net of Agg	521,344	791,286	675,690	740,888	496,335
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem	50.2%	21.2%	25.5%	28.1%	40.2%
Windstorm Losses/Windstorm Prem	47.7%	108.5%	53.7%	62.9%	12.5%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	49.2%	58.1%	37.3%	42.6%	28.7%
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem	51.6%	21.5%	25.6%	28.3%	40.3%
Windstorm Losses/Windstorm Prem	49.5%	110.4%	54.2%	63.5%	12.6%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	50.7%	58.9%	37.6%	42.9%	28.8%
Tot Net Agg Losses/Tot Net Agg Prem	41.3%	62.7%	48.5%	56.5%	37.7%
<b>Balance Sheet Items</b>					
Total Admitted Assets	5,903,533	5,655,893	5,220,576	5,105,800	4,751,170
Liabilities	651,825	790,557	884,105	827,709	662,788
Surplus	5,251,708	4,865,336	4,336,471	4,278,091	4,088,382
Bonds	3,153,858	3,057,253	3,214,871	2,787,948	2,858,334
Stocks	2,131,854	1,995,399	1,433,850	1,679,722	1,231,942
Real Estate	78,525	81,816	85,183	90,295	95,408
Unpaid Premium (line 8.1)	-	(4)	(18)	-	(563)
Unpaid Premium (line 8.2)	7,505	6,646	4,165	531	3,552
Agents' Balances	-	-	-	-	-
Unearned Premium	518,998	531,110	529,623	524,861	520,378
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets	53%	54%	62%	55%	60%
Stocks/Admitted Assets	36%	35%	27%	33%	26%
Real Estate/Admitted Assets	1%	1%	2%	2%	2%
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	1,518,153	1,476,453	1,699,443	1,535,385	1,509,943
Total Disbursements	1,259,752	1,460,560	1,357,499	1,387,531	1,246,222
Operating Expense	633,869	648,588	522,158	605,537	605,454
Commissions	252,907	256,367	268,653	257,930	256,770
Investment Income	246,969	206,567	228,344	211,135	184,699
Salaries (lines 14-17)	214,225	210,464	170,327	176,258	173,613
<b>Other</b>					
Gross Risk in Force	423,584,959	429,911,613	432,994,832	423,225,800	416,465,182
Number of Policies	909	930	957	934	940
Operating Expense/Net Premium	50%	51%	37%	46%	46%