

December 31, 2020 - Annual Statement

Iowa Company Number: 0084

Lincoln Mutual Insurance Association

Phyllis Peterson
105 North Devoe St., Box 155
Lone Tree IA 52755

DECEMBER 31, 2020

1. Ledger Assets, December 31 of previous year, Total column 1, page 4.....					\$ 1,409,465
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.....	\$ 238,105	\$	\$	\$ 238,105	
3. Windstorm.....	234,440			234,440	
4. Crop Hail.....					
Homeowner					
5. Assumed.....	XXXXXXX				
6. Totals.....	\$ 472,545	\$	\$	\$ 472,545	
7. Aggregate excess loss reinsurance paid.....				133,839	
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8).....					\$ 338,706
9. Net interest received on bonds.....					28,353
10. Increase in adjustment of bonds <u>769</u> , less <u>2,855</u> decrease in adjustment of bonds.....					(2,086)
11. Dividends received.....					459
12. Interest received on bank deposits (schedule C-2, column 7).....					4,807
13. Interest received on mortgage loans (schedule D, column 6).....					
14. Other interest.....					
15. Profit on sale of investment.....					
16. Rents received*.....					4,200
17. Total income from investments (items 9 through 16).....					\$ 35,733
18. Borrowed money.....					
19. Premiums collected for other companies (less refunds).....					30,326
20. Checks charged off.....					
21. Increase in ledger liabilities.....					5,471
22. Underwriting expense reimbursement.....					
23. Federal income tax refund.....					
24. Miscellaneous income.....					
25. Crop Hail Contingency Commission.....					
26.					
27. Total (items 18 through 26).....					\$ 35,797
28. Total income (items 8, 17, and 27).....					\$ 410,236
29. Total assets and income (item 1 plus item 28).....					\$ 1,819,701

*Includes \$1,200 for association's occupancy of its own buildings.

DECEMBER 31, 2020

1. Amount brought forward from line 29 page 2.....				\$ 1,819,701
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.....	\$ 35,734	\$	\$	\$ 35,734
3. Windstorm.....	119,399			119,399
4. Crop Hail				
5. Homeowners Assumed....	XXXXXXXXXX			
6. Totals.....	\$ 155,133	\$	\$	\$ 155,133
7. Received from aggregate excess loss reinsurance.....				
8. Total of all net losses (line 6, column 4 - line 7 = line 8).....				\$ 155,133
OPERATING EXPENSE				
9. Loss Adjustment Expenses.....				12,701
10. Commissions.....				70,479
11. Advertising.....				1,195
12. Boards, bureaus and associations.....				3,733
13. Inspection and loss prevention.....				543
14. Salaries of officers.....				67,479
15. Expenses of officers.....				
16. Salaries of office employees.....				32,216
17. Employee welfare.....				
18. Insurance.....				6,965
19. Directors' compensation.....				2,600
20. Directors' expenses.....				125
21. Rent and rent items.....				1,277
22. Equipment.....				6,840
23. Printing, stationery and supplies.....				306
24. Postage and telephone				993
25. Legal and auditing.....				17,610
26. State insurance taxes (March 1, 254) (June 1, 2,225) (August 15, 2,225)				4,704
27. Insurance Division licenses and fees.....				110
28. Payroll taxes.....				6,465
29. All other taxes (excluding Federal income).....				107
30. Real estate expenses.....				3,088
31. Real estate taxes.....				768
32. Interest on borrowed money.....				
33. Miscellaneous.....				1,300
a. Annual Meeting.....				
b. Donations/Contributions.....				835
c. Travel and Travel Items.....				
d. Over and Short.....				(3)
34.				
35. Total operating expense (items 9 through 34).....				\$ 242,436
NON-OPERATING EXPENSE				
36. Borrowed money repaid.....				
37. Depreciation on real estate.....				1,918
38. Loss on sale of investments.....				
39. Federal income tax Prior year, 0 Current year, 0				
40. Premium collections transmitted to other companies.....				22,010
41. Commission paid agents for other companies.....				6,109
42. Decrease in ledger liabilities.....				
43. Federal income tax penalty/interest.....				
44. Total non-operating expense (items 36 through 43).....				30,037
45. Total disbursements (items 8, 35, and 44).....				\$ 427,606
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4...				\$ 1,392,095

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).....	\$ 851,450	\$	\$	\$ 851,450	\$ 888,536
2. Stocks (schedule A-part 2).....	147,412	1	19,906	127,507	91,613
3. Bank Balances					
3.1 Subject to check(C-I).....	70,735			70,735	122,739
3.2 On interest (C-2).....	265,023			265,023	254,121
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	56,784			56,784	58,703
7. Cash in office.....					300
8. Unpaid Premiums					
8.1 Due before Nov 1.....		699	699	X X X X X X	X X X X X X
8.2 Due after Nov 1.....		2,453		2,453	4,643
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	6,706		6,706	7,294
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	692		692	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.....					242
20. Service fees & misc receivables..					
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 1,392,096	\$ 9,859	\$ 21,297	\$ 1,380,658	\$ 1,428,191

*Bonds are amortized through 12/31/2020.

LIABILITIES - DECEMBER 31, 2020

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 14,400		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	14,400		
4. Less: reinsurance recoverable on unpaid losses.....			
5. Net unpaid claims.....		\$ 14,400	\$ 2,000
6. Unpaid adjusting expenses.....		1,000	
7. Ceded reinsurance balances payable.....		11,379	11,390
8. Unpaid salaries and commissions.....		17,393	12,436
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		2,422	1,380
12. Taxes payable: Real estate.....		768	772
Federal Income.....			
Premium.....		275	254
Other.....		745	480
13. Other unpaid expenses.....		186	7,110
14. Premiums collected for other companies - not remitted.....		1,212	1,269
15. Premiums received in advance.....		37,448	24,056
16. *Unearned premium reserve.....		183,000	179,000
17. Service Fees and Employee Benefits Payable.....		7,400	7,400
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 277,628	\$ 247,547
20. Surplus.....		\$ 1,103,030	\$ 1,180,644
21. Total liabilities and surplus.....		\$ 1,380,658	\$ 1,428,191

(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.....	238,105	224,481	209,758	209,494	216,391
Windstorm.....	234,440	220,502	209,758	209,495	216,392
Crop Hail.....	0	0	0	0	0
Total.....	472,545	444,983	419,516	418,989	432,783
Net Premium Written					
Fire.....	238,105	224,481	209,758	209,494	216,391
Windstorm.....	234,440	220,502	209,758	209,495	216,392
Crop Hail.....	0	0	0	0	0
Total.....	472,545	444,983	419,516	418,989	432,783
Total Net of Agg.....	338,706	312,721	295,056	298,442	315,476
Gross Losses Paid					
Fire.....	35,734	198,608	241,185	59,644	87,537
Windstorm.....	119,399	20,566	16,430	120,429	50,729
Crop Hail.....	0	0	0	0	0
Total.....	155,133	219,174	257,615	180,073	138,266
Net Losses Paid					
Fire.....	35,734	161,102	184,300	59,644	87,537
Windstorm.....	119,399	20,566	16,430	120,429	50,729
Crop Hail.....	0	0	0	0	0
Total.....	155,133	181,668	200,730	180,073	138,266
Total Net of Agg.....	155,133	181,668	200,730	180,073	131,518
Loss Percentage (Direct)					
Fire Losses/Fire Prem.....	15 %	88 %	115 %	28 %	40 %
Windstorm Losses/Windstorm Prem.....	51 %	9 %	8 %	57 %	23 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	33 %	49 %	61 %	43 %	32 %
Loss Percentage (Net)					
Fire Losses/Fire Prem.....	15 %	72 %	88 %	28 %	40 %
Windstorm Losses/Windstorm Prem.....	51 %	9 %	8 %	57 %	23 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	33 %	41 %	48 %	43 %	32 %
Total Net Agg Losses/Total Net Ag Prem	46 %	58 %	68 %	60 %	42 %
Balance Sheet Items					
Total Admitted Assets.....	1,380,657	1,428,191	1,425,703	1,511,758	1,566,601
Liabilities.....	277,627	247,547	224,620	271,445	234,868
Surplus.....	1,103,030	1,180,644	1,201,083	1,240,313	1,331,733
Bonds.....	851,450	888,536	891,482	790,873	622,210
Stocks.....	127,506	91,613	61,241	35,535	24,169
Real Estate.....	56,784	58,703	60,621	57,594	59,388
Unpaid Premium(line 8.1).....	699	0	0	0	648
Unpaid Premium(line 8.2).....	2,453	4,643	1,322	2,725	4,021
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	183,000	179,000	169,000	170,000	171,000
Balance Sheet Percentages					
Bonds/Admitted Assets.....	62 %	62 %	63 %	52 %	40 %
Stocks/Admitted Assets.....	9 %	6 %	4 %	2 %	2 %
Real Estate/Admitted Assets.....	4 %	4 %	4 %	4 %	4 %
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.....	410,237	384,597	354,702	355,789	368,195
Total Disbursements.....	427,606	382,451	440,679	413,727	366,743
Operating Expense.....	242,435	176,033	211,212	206,683	208,256
Commissions.....	70,479	56,463	62,056	63,021	61,197
Investment Income.....	35,734	37,063	34,383	33,272	28,189
Salaries (lines 14-17).....	99,695	73,614	64,417	61,654	69,959
Other					
Gross Risk in Force.....	139,424,696	131,341,648	124,236,120	125,572,151	124,368,962
Number of Policies.....	391	389	393	418	423
Operating Expense/Net Premium.....	72 %	56 %	72 %	69 %	66 %