

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0101

**Louisa Mutual Insurance Association**

Trina Durham  
336 N. 2nd, Box 97  
Wapello IA 52653

**DECEMBER 31, 2020**

|  |                           |  |  |                                     |                            |  |
|--|---------------------------|--|--|-------------------------------------|----------------------------|--|
| 1. Ledger Assets, December 31 of previous year, Total column 1, page 4.....                                |                           |  |  |                                     | \$ <u>4,826,625</u>        |  |
| <b>INCOME - INCREASES IN LEDGER ASSETS</b>   |                           |  |  |                                     |                            |  |
| <b>PREMIUMS</b>  |                           |  |  |                                     |                            |  |
|  | (1)<br>Direct<br>Premiums | (2)<br>Reinsurance<br>Premiums Assumed | (3)<br>Specific<br>Reinsurance<br>Premiums Ceded | (4)<br>Net<br>Premiums<br>(1+2-3=4) |                            |  |
| 2. Fire.....   | \$ 593,080                | \$                                     | \$   | \$ 593,080                          |                            |  |
| 3. Windstorm.....  | 566,202                   |  |  | 566,202                             |                            |  |
| 4. Crop Hail.....  |                           |  |  |                                     |                            |  |
| Homeowner<br>5. Assumed.....   | XXXXXXXX                  |  |  |                                     |                            |  |
| 6. Totals.....   | \$ 1,159,282              | \$                                     | \$   | \$ 1,159,282                        |                            |  |
| 7. Aggregate excess loss reinsurance paid.....   |                           |  |  |                                     | <u>305,014</u>             |  |
| 8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8).....                         |                           |  |  |                                     | \$ <u>854,268</u>          |  |
| 9. Net interest received on bonds.....   |                           |  |  |                                     | <u>61,123</u>              |  |
| 10. Increase in adjustment of bonds <u>718</u> , less<br><u>2,679</u> decrease in adjustment of bonds..... |                           |  |  |                                     | <u>(1,961)</u>             |  |
| 11. Dividends received.....  |                           |  |  |                                     | <u>24,898</u>              |  |
| 12. Interest received on bank deposits (schedule C-2, column 7).....                                       |                           |  |  |                                     | <u>7,524</u>               |  |
| 13. Interest received on mortgage loans (schedule D, column 6).....  |                           |  |  |                                     |                            |  |
| 14. Other interest.....  |                           |  |  |                                     |                            |  |
| 15. Profit on sale of investment.....  |                           |  |  |                                     | <u>47,398</u>              |  |
| 16. Rents received*.....   |                           |  |  |                                     | <u>16,200</u>              |  |
| 17. Total income from investments (items 9 through 16).....  |                           |  |  |                                     | \$ <u>155,182</u>          |  |
| 18. Borrowed money.....  |                           |  |  |                                     |                            |  |
| 19. Premiums collected for other companies (less refunds).....   |                           |  |  |                                     | <u>82,422</u>              |  |
| 20. Checks charged off.....  |                           |  |  |                                     |                            |  |
| 21. Increase in ledger liabilities.....  |                           |  |  |                                     |                            |  |
| 22. Underwriting expense reimbursement.....  |                           |  |  |                                     |                            |  |
| 23. Federal income tax refund.....   |                           |  |  |                                     |                            |  |
| 24. Miscellaneous income.....  |                           |  |  |                                     |                            |  |
| 25. Crop Hail Contingency Commission.....  |                           |  |  |                                     |                            |  |
| 26. ....   |                           |  |  |                                     |                            |  |
| 27. Total (items 18 through 26).....   |                           |  |  |                                     | \$ <u>82,422</u>           |  |
| 28. Total income (items 8, 17, and 27).....  |                           |  |  |                                     | \$ <u>1,091,872</u>        |  |
| 29. Total assets and income (item 1 plus item 28).....   |                           |  |  |                                     | \$ <u><u>5,918,497</u></u> |  |

\*Includes \$7,200 for association's occupancy of its own buildings.

**DECEMBER 31, 2020**

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

\$ 5,918,497

**DISBURSEMENTS - DECREASES IN LEDGER ASSETS**

| LOSSES                     |                               |  |                                     |
|----------------------------|-------------------------------|--|-------------------------------------|
| (1)<br>Direct<br>Losses    | (2)<br>Reinsurance<br>Assumed | (3)<br>Specific Reinsurance<br>Recovered | (4)<br>Net Losses Paid<br>(1+2-3=4) |
| 2. Fire.....               | \$ 128,691                    | \$                                       | \$ 128,691                          |
| 3. Windstorm.....          | 620,499                       |  | 620,499                             |
| 4. Crop Hail .....         |                               |  |                                     |
| 5. Homeowners Assumed..... | XXXXXXXXXX                    |  |                                     |
| 6. Totals.....             | \$ 749,190                    | \$                                       | \$ 749,190                          |

7. Received from aggregate excess loss reinsurance.....

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

\$ 749,190

**OPERATING EXPENSE**

|  |         |
|--|---------|
| 9. Loss Adjustment Expenses.....   | 36,209  |
| 10. Commissions.....   | 167,404 |
| 11. Advertising.....   | 2,121   |
| 12. Boards, bureaus and associations.....                                      | 7,139   |
| 13. Inspection and loss prevention.....  | 3,535   |
| 14. Salaries of officers.....  | 22,451  |
| 15. Expenses of officers.....  |         |
| 16. Salaries of office employees.....  | 98,462  |
| 17. Employee welfare.....  | 8,170   |
| 18. Insurance.....   | 18,288  |
| 19. Directors' compensation.....   | 5,300   |
| 20. Directors' expenses.....   | 816     |
| 21. Rent and rent items.....   | 7,360   |
| 22. Equipment.....   | 19,315  |
| 23. Printing, stationery and supplies.....                                     | 4,469   |
| 24. Postage and telephone .....  | 5,315   |
| 25. Legal and auditing.....  | 12,125  |
| 26. State insurance taxes (March 1, 530 ) (June 1, 5,897 ) (August 15, 5,897 ) | 12,324  |
| 27. Insurance Division licenses and fees.....                                  | 230     |
| 28. Payroll taxes.....   | 11,992  |
| 29. All other taxes (excluding Federal income).....                            |         |
| 30. Real estate expenses.....  | 6,935   |
| 31. Real estate taxes.....   | 1,130   |
| 32. Interest on borrowed money.....  |         |
| 33. Miscellaneous.....   | 2,712   |
| a. Annual Meeting.....   |         |
| b. Donations/Contributions.....  | 2,600   |
| c. Travel and Travel Items.....  | 982     |
| d. Over and Short.....   | 1       |

34. ....

35. Total operating expense (items 9 through 34).....

\$ 457,385

**NON-OPERATING EXPENSE**

|  |        |
|--|--------|
| 36. Borrowed money repaid.....                                 |        |
| 37. Depreciation on real estate.....                           | 1,798  |
| 38. Loss on sale of investments.....                           | 308    |
| 39. Federal income tax Prior year, 0 Current year, 8,296 ..... | 8,296  |
| 40. Premium collections transmitted to other companies.....    | 66,911 |
| 41. Commission paid agents for other companies.....            | 11,392 |
| 42. Decrease in ledger liabilities.....                        | 4,158  |
| 43. Federal income tax penalty/interest.....                   |        |

44. Total non-operating expense (items 36 through 43).....

92,863

45. Total disbursements (items 8, 35, and 44).....

\$ 1,299,438

46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4...

\$ 4,619,059

## ASSETS - DECEMBER 31, 2020

|   | (1)<br>Ledger Assets | (2)<br>Non-ledger including<br>excess of market<br>(or amortized) over<br>book value | (3)<br>Assets not admitted<br>including excess of<br>book over market<br>or amortized values | (4)<br>Current Year<br>Net<br>Admitted Assets<br>(1+2-3=4) | (5)<br>Prior Year<br>Net<br>Admitted Assets |
|---|----------------------|--|--|--|---|
| 1. *Bonds (schedule A-part 1).....                | \$ 1,931,496         | \$   | \$   | \$ 1,931,496   | \$ 2,092,264                                |
| 2. Stocks (schedule A-part 2).....                | 1,204,070            | 65,855   |  | 1,269,925  | 1,155,693                                   |
| 3. Bank Balances                                  |                      |  |  |  |   |
| 3.1 Subject to check(C-I).....                    | 371,833              |  |  | 371,833  | 416,506                                     |
| 3.2 On interest (C-2).....                        | 1,026,399            |  |  | 1,026,399  | 1,095,876                                   |
| 4. Mortgage loans (schedule D)                    |                      |  |  |  |   |
| 4.1 First liens.....                              |                      |  |  |  |   |
| 4.2 Other than first.....                         |                      |  |  |  |   |
| 5. Collateral loans (schedule E).....             |                      |  |  |  |   |
| 6. Real estate (schedule F).....                  | 75,353               |  |  | 75,353   | 64,736                                      |
| 7. Cash in office.....                            |                      |  |  |  |   |
| 8. Unpaid Premiums                                |                      |  |  |  |   |
| 8.1 Due before Nov 1...                           |                      | 2  | 2  | X X X X X X  | X X X X X X                                 |
| 8.2 Due after Nov 1.....                          |                      | 1,286  |  | 1,286  |   |
| 9. Bills receivable.....                          |                      |  |  | X X X X X X  | X X X X X X                                 |
| 10. Agent's balances.....                         |                      |  |  |  |   |
| 11. Reinsurance receivable on paid<br>losses..... |                      |  |  |  |   |
| 12. Accrued interest.....                         | X X X X X X          | 14,150   |  | 14,150   | 17,382                                      |
| 13. Accrued rent due.....                         | X X X X X X          |  |  |  |   |
| 14. Equipment and furniture.....                  | 6,217                |  | 6,217  | 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<br>equipment.....  | 3,693                |  |  | 3,693  | 6,155                                       |
| 20. Service fees & misc receivables..             |                      | 9,330  |  | 9,330  | 3,010                                       |
| 21. Prepaid Reins. & other assets....             |                      |  |  |  |   |
| 22. Totals.....                                   | \$ 4,619,061         | \$ 90,623  | \$ 6,219   | \$ 4,703,465   | \$ 4,851,622                                |

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

**LIABILITIES - DECEMBER 31, 2020**

|  |            | Current Year | Prior Year   |
|--|------------|--------------|--------------|
| 1. Unpaid claims (reported).....                               | \$ 102,966 |              |              |
| 2. Unpaid claims (incurred but not reported).....              |            |              |              |
| 3. Total unpaid losses.....                                    | 102,966    |              |              |
| 4. Less: reinsurance recoverable on unpaid losses.....         |            |              |              |
| 5. Net unpaid claims.....                                      |            | \$ 102,966   | \$ 18,491    |
| 6. Unpaid adjusting expenses.....                              |            | 5,100        | 3,200        |
| 7. Ceded reinsurance balances payable.....                     |            | 25,661       | 24,245       |
| 8. Unpaid salaries and commissions.....                        |            | 13,856       | 26,562       |
| 9. Borrowed money.....   |            |              |              |
| 10. Interest due on borrowed money.....                        |            |              |              |
| 11. Amounts withheld for the account of others.....            |            | 1,428        | 1,377        |
| 12. Taxes payable: Real estate.....                            |            | 1,130        | 1,130        |
| Federal Income.....  |            | 4,000        |              |
| Premium.....   |            | -            | 530          |
| Other.....   |            | -            | -            |
| 13. Other unpaid expenses.....                                 |            | 2,033        | 3,060        |
| 14. Premiums collected for other companies - not remitted..... |            | 5,131        | 5,761        |
| 15. Premiums received in advance.....                          |            | 16,138       | 17,165       |
| 16. *Unearned premium reserve.....                             |            | 452,000      | 453,000      |
| 17. Service Fees and Employee Benefits Payable.....            |            | 15,310       | 12,878       |
| 18. Miscellaneous Liabilities.....                             |            |              |              |
| 19. Total liabilities.....                                     |            | \$ 644,753   | \$ 567,399   |
| 20. Surplus.....   |            | \$ 4,058,712 | \$ 4,284,223 |
| 21. Total liabilities and surplus.....                         |            | \$ 4,703,465 | \$ 4,851,622 |

(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.....                                   | 593,080     | 603,648     | 576,737     | 550,945     | 542,159     |
| Windstorm.....                              | 566,202     | 575,709     | 549,559     | 524,700     | 515,842     |
| Crop Hail.....                              | 0           | 0           | 0           | 0           | 0           |
| Total.....                                  | 1,159,282   | 1,179,357   | 1,126,296   | 1,075,645   | 1,058,001   |
| <b>Net Premium Written</b>                  |             |             |             |             |             |
| Fire.....                                   | 593,080     | 603,648     | 576,737     | 550,945     | 542,159     |
| Windstorm.....                              | 566,202     | 575,709     | 549,559     | 524,700     | 515,842     |
| Crop Hail.....                              | 0           | 0           | 0           | 0           | 0           |
| Total.....                                  | 1,159,282   | 1,179,357   | 1,126,296   | 1,075,645   | 1,058,001   |
| Total Net of Agg.....                       | 854,268     | 880,169     | 840,815     | 797,309     | 792,889     |
| <b>Gross Losses Paid</b>                    |             |             |             |             |             |
| Fire.....                                   | 128,691     | 235,440     | 105,394     | 287,611     | 197,416     |
| Windstorm.....                              | 620,499     | 121,695     | 84,881      | 363,783     | 855,014     |
| Crop Hail.....                              | 0           | 0           | 0           | 0           | 0           |
| Total.....                                  | 749,190     | 357,135     | 190,275     | 651,394     | 1,052,430   |
| <b>Net Losses Paid</b>                      |             |             |             |             |             |
| Fire.....                                   | 128,691     | 235,440     | 105,394     | 287,611     | 197,416     |
| Windstorm.....                              | 620,499     | 121,695     | 84,881      | 363,783     | 855,014     |
| Crop Hail.....                              | 0           | 0           | 0           | 0           | 0           |
| Total.....                                  | 749,190     | 357,135     | 190,275     | 651,394     | 1,052,430   |
| Total Net of Agg.....                       | 749,190     | 357,135     | 190,275     | 580,204     | 854,525     |
| <b>Loss Percentage (Direct)</b>             |             |             |             |             |             |
| Fire Losses/Fire Prem.....                  | 22 %        | 39 %        | 18 %        | 52 %        | 36 %        |
| Windstorm Losses/Windstorm Prem.....        | 110 %       | 21 %        | 15 %        | 69 %        | 166 %       |
| Crop Hail Losses/Crop Hail Prem.....        | 0 %         | 0 %         | 0 %         | 0 %         | 0 %         |
| Total Losses/Total Prem.....                | 65 %        | 30 %        | 17 %        | 61 %        | 99 %        |
| <b>Loss Percentage (Net)</b>                |             |             |             |             |             |
| Fire Losses/Fire Prem.....                  | 22 %        | 39 %        | 18 %        | 52 %        | 36 %        |
| Windstorm Losses/Windstorm Prem.....        | 110 %       | 21 %        | 15 %        | 69 %        | 166 %       |
| Crop Hail Losses/Crop Hail Prem.....        | 0 %         | 0 %         | 0 %         | 0 %         | 0 %         |
| Total Losses/Total Prem.....                | 65 %        | 30 %        | 17 %        | 61 %        | 99 %        |
| Total Net Agg Losses/Total Net Ag Prem      | 88 %        | 41 %        | 23 %        | 73 %        | 108 %       |
| <b>Balance Sheet Items</b>                  |             |             |             |             |             |
| Total Admitted Assets.....                  | 4,703,463   | 4,851,622   | 4,492,451   | 4,227,727   | 4,185,513   |
| Liabilities.....                            | 644,752     | 567,398     | 572,194     | 643,871     | 493,167     |
| Surplus.....                                | 4,058,711   | 4,284,224   | 3,920,257   | 3,583,856   | 3,692,346   |
| Bonds.....                                  | 1,931,496   | 2,092,264   | 2,030,629   | 2,311,640   | 2,419,112   |
| Stocks.....                                 | 1,269,924   | 1,155,693   | 957,903     | 1,015,438   | 914,862     |
| Real Estate.....                            | 75,353      | 64,736      | 40,518      | 19,246      | 21,519      |
| Unpaid Premium(line 8.1).....               | 2           | 0           | 0           | 0           | 0           |
| Unpaid Premium(line 8.2).....               | 1,286       | 0           | 824         | 14,436      | 3,255       |
| Agent's Balances.....                       | 0           | 0           | 0           | 0           | 0           |
| Unearned Premium.....                       | 452,000     | 453,000     | 439,000     | 421,000     | 413,000     |
| <b>Balance Sheet Percentages</b>            |             |             |             |             |             |
| Bonds/Admitted Assets.....                  | 41 %        | 43 %        | 45 %        | 55 %        | 58 %        |
| Stocks/Admitted Assets.....                 | 27 %        | 24 %        | 21 %        | 24 %        | 22 %        |
| Real Estate/Admitted Assets.....            | 2 %         | 1 %         | 1 %         | 0 %         | 1 %         |
| 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.....                           | 1,091,873   | 1,103,841   | 1,084,738   | 1,023,011   | 1,015,367   |
| Total Disbursements.....                    | 1,299,438   | 906,953     | 694,243     | 1,051,950   | 1,366,819   |
| Operating Expense.....                      | 457,385     | 464,426     | 420,815     | 403,705     | 382,203     |
| Commissions.....                            | 167,404     | 170,084     | 157,622     | 156,915     | 153,658     |
| Investment Income.....                      | 155,183     | 142,235     | 168,819     | 149,476     | 148,998     |
| Salaries (lines 14-17).....                 | 129,083     | 120,554     | 108,561     | 94,863      | 93,568      |
| <b>Other</b>                                |             |             |             |             |             |
| Gross Risk in Force.....                    | 345,396,678 | 334,842,566 | 313,026,878 | 293,195,321 | 292,905,220 |
| Number of Policies.....                     | 737         | 730         | 703         | 694         | 716         |
| Operating Expense/Net Premium.....          | 54 %        | 53 %        | 50 %        | 51 %        | 48 %        |