

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0106

**Farmers Mutual Insurance Association**

William Brandau  
708 Chase St., Box 148  
Osage                    IA            50461

**DECEMBER 31, 2020**

1. Ledger Assets, December 31 of previous year, Total column 1, page 4..... \$ 5,250,535

**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.....	\$ 1,037,104	\$	\$ 1,037,104
3. Windstorm.....	1,407,908		1,407,908
4. Crop Hail.....			
Homeowner 5. Assumed.....	XXXXXXX		
6. Totals.....	\$ 2,445,012	\$	\$ 2,445,012

7. Aggregate excess loss reinsurance paid..... 657,235  
 8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8) ..... \$ 1,787,777

9. Net interest received on bonds..... 102,894  
 10. Increase in adjustment of bonds 903, less  
13,578 decrease in adjustment of bonds..... (12,675)  
 11. Dividends received..... 27,724  
 12. Interest received on bank deposits (schedule C-2, column 7)..... 5,464  
 13. Interest received on mortgage loans (schedule D, column 6)..... \_\_\_\_\_  
 14. Other interest..... \_\_\_\_\_  
 15. Profit on sale of investment..... 45,274  
 16. Rents received\*..... 6,175  
 17. Total income from investments (items 9 through 16)..... \$ 174,856

18. Borrowed money..... \_\_\_\_\_  
 19. Premiums collected for other companies (less refunds)..... 175,247  
 20. Checks charged off..... \_\_\_\_\_  
 21. Increase in ledger liabilities..... \_\_\_\_\_  
 22. Underwriting expense reimbursement..... \_\_\_\_\_  
 23. Federal income tax refund..... \_\_\_\_\_  
 24. Miscellaneous income..... 39,000  
 25. Crop Hail Contingency Commission..... \_\_\_\_\_  
 26. .... \_\_\_\_\_  
 27. Total (items 18 through 26)..... \$ 214,247  
 28. Total income (items 8, 17, and 27)..... \$ 2,176,880  
 29. Total assets and income (item 1 plus item 28)..... \$ 7,427,415

\*Includes \$6,175 for association's occupancy of its own buildings.

**DECEMBER 31, 2020**

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

\$ 7,427,415

**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.....	\$ 330,935	\$	\$ 330,935
3. Windstorm.....	83,347		83,347
4. Crop Hail .....			
5. Homeowners Assumed.....	XXXXXXXXXX		
6. Totals.....	\$ 414,282	\$	\$ 414,282

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

8. Total of all net losses (line 6, column 4 - line 7 = line 8)..... \$ 414,282

**OPERATING EXPENSE**

9. Loss Adjustment Expenses.....

10. Commissions.....

11. Advertising.....

12. Boards, bureaus and associations.....

13. Inspection and loss prevention.....

14. Salaries of officers.....

15. Expenses of officers.....

16. Salaries of office employees.....

17. Employee welfare.....

18. Insurance.....

19. Directors' compensation.....

20. Directors' expenses.....

21. Rent and rent items.....

22. Equipment.....

23. Printing, stationery and supplies.....

24. Postage and telephone .....

25. Legal and auditing.....

26. State insurance taxes (March 1, 1,723 ) (June 1, 11,701 ) (August 15, 11,701 )

27. Insurance Division licenses and fees.....

28. Payroll taxes.....

29. All other taxes (excluding Federal income).....

30. Real estate expenses.....

31. Real estate taxes.....

32. Interest on borrowed money.....

33. Miscellaneous.....

    a. Annual Meeting.....

    b. Donations/Contributions.....

    c. Travel and Travel Items.....

    d. Over and Short.....

34. ....

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

45,576
313,414
16,400
8,139
219
121,957
141,216
35,911
16,637
10,097
33
6,175
29,748
6,375
27,555
13,600
25,125
293
20,977
322
8,846
2,471
25
2,412
1,330
(717)

\$ 854,136

**NON-OPERATING EXPENSE**

36. Borrowed money repaid.....

37. Depreciation on real estate.....

38. Loss on sale of investments.....

39. Federal income tax Prior year, 29,056 Current year, 44,056 .....

40. Premium collections transmitted to other companies.....

41. Commission paid agents for other companies.....

42. Decrease in ledger liabilities.....

43. Federal income tax penalty/interest.....

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

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

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

2,988
19,062
73,112
134,607
30,474
140

260,383

\$ 1,528,801

\$ 5,898,614

## 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).....	\$ 2,848,039	\$	\$ 2,848,039	\$ 2,903,835
2. Stocks (schedule A-part 2).....	1,695,711	1,103,242	2,798,953	2,256,937
3. Bank Balances				
3.1 Subject to check(C-1).....	123,457		123,457	24,075
3.2 On interest (C-2).....	1,113,128		1,113,128	697,837
4. Mortgage loans (schedule D)				
4.1 First liens.....				
4.2 Other than first.....				
5. Collateral loans (schedule E).....				
6. Real estate (schedule F).....	80,024	20,919	59,105	48,751
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.....		11,036	11,036	24,182
9. Bills receivable.....			X X X X X X	X X X X X X
10. Agent's balances.....				7
11. Reinsurance receivable on paid losses.....				
12. Accrued interest.....	X X X X X X	21,975	21,975	23,366
13. Accrued rent due.....	X X X X X X			
14. Equipment and furniture.....	5,409		5,409	X X X X X X
15. Supplies.....			X X X X X X	X X X X X X
16. Automobiles.....	25,100		25,100	X X X X X X
17. Cash surrender value of life ins.				
18. Federal Inc. tax recoverable.....				
19. Electronic data processing equipment.....	7,308		6,935	5,848
20. Service fees & misc receivables.		20,264	20,264	21,330
21. Prepaid Reins. & other assets....	338		338	
22. Totals.....	\$ 5,898,614	\$ 1,156,517	\$ 7,003,330	\$ 6,006,268

\*Bonds are amortized through \_\_\_\_12/31/2020\_\_\_\_.

**LIABILITIES - DECEMBER 31, 2020**

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 19,200		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	19,200		
4. Less: reinsurance recoverable on unpaid losses.....			
5. Net unpaid claims.....		\$ 19,200	\$ 110,200
6. Unpaid adjusting expenses.....		3,200	5,000
7. Ceded reinsurance balances payable.....		56,289	59,251
8. Unpaid salaries and commissions.....		39,906	7,100
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		3,305	3,320
12. Taxes payable: Real estate.....		2,471	2,294
Federal Income.....		109,000	36,000
Premium.....		1,048	1,723
Other.....		837	915
13. Other unpaid expenses.....		4,082	3,521
14. Premiums collected for other companies - not remitted.....		12,735	9,296
15. Premiums received in advance.....		57,409	23,004
16. *Unearned premium reserve.....		955,000	937,000
17. Service Fees and Employee Benefits Payable.....		23,926	7,486
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 1,288,408	\$ 1,206,110
20. Surplus.....		\$ 5,714,922	\$ 4,800,158
21. Total liabilities and surplus.....		\$ 7,003,330	\$ 6,006,268

(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.....	1,037,104	994,446	923,166	959,704	980,191
Windstorm.....	1,407,908	1,345,682	1,244,538	1,297,828	1,326,475
Crop Hail.....	0	0	0	0	0
Total.....	2,445,012	2,340,128	2,167,704	2,257,532	2,306,666
<b>Net Premium Written</b>					
Fire.....	1,037,104	994,446	923,166	959,704	980,191
Windstorm.....	1,407,908	1,345,682	1,244,538	1,297,828	1,326,475
Crop Hail.....	0	0	0	0	0
Total.....	2,445,012	2,340,128	2,167,704	2,257,532	2,306,666
Total Net of Agg.....	1,787,777	1,634,480	1,438,312	1,569,969	1,633,559
<b>Gross Losses Paid</b>					
Fire.....	330,935	731,297	393,866	348,283	969,368
Windstorm.....	83,347	77,588	280,120	1,014,701	244,598
Crop Hail.....	0	0	0	0	0
Total.....	414,282	808,885	673,986	1,362,984	1,213,966
<b>Net Losses Paid</b>					
Fire.....	330,935	731,297	393,866	348,283	969,368
Windstorm.....	83,347	77,588	280,120	1,014,701	244,598
Crop Hail.....	0	0	0	0	0
Total.....	414,282	808,885	673,986	1,362,984	1,213,966
Total Net of Agg.....	414,282	668,167	662,233	1,362,984	950,192
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem.....	32 %	74 %	43 %	36 %	99 %
Windstorm Losses/Windstorm Prem.....	6 %	6 %	23 %	78 %	18 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	17 %	35 %	31 %	60 %	53 %
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem.....	32 %	74 %	43 %	36 %	99 %
Windstorm Losses/Windstorm Prem.....	6 %	6 %	23 %	78 %	18 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	17 %	35 %	31 %	60 %	53 %
Total Net Agg Losses/Total Net Ag Prem	23 %	41 %	46 %	87 %	58 %
<b>Balance Sheet Items</b>					
Total Admitted Assets.....	7,003,331	6,006,269	5,222,132	4,887,880	4,898,453
Liabilities.....	1,288,408	1,206,110	1,123,958	1,207,359	1,170,333
Surplus.....	5,714,923	4,800,159	4,098,174	3,680,521	3,728,120
Bonds.....	2,848,039	2,903,835	2,864,797	2,656,997	2,577,610
Stocks.....	2,798,953	2,256,937	1,707,918	1,789,084	1,456,117
Real Estate.....	59,105	48,751	51,133	51,785	54,055
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	11,036	24,182	27,735	8,400	14,785
Agent's Balances.....	0	7	0	24	0
Unearned Premium.....	955,000	937,000	870,000	901,000	913,000
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets.....	41 %	48 %	55 %	54 %	53 %
Stocks/Admitted Assets.....	40 %	38 %	33 %	37 %	30 %
Real Estate/Admitted Assets.....	1 %	1 %	1 %	1 %	1 %
Unpaid Prem (line 8.2)/Admitted Assets.....	0 %	0 %	1 %	0 %	0 %
Agents' Balances/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
<b>Income/Disbursement Items</b>					
Total Income.....	2,176,880	2,033,213	1,941,632	2,035,967	1,989,711
Total Disbursements.....	1,528,801	1,641,772	1,609,816	2,256,162	1,967,194
Operating Expense.....	854,137	840,571	751,597	721,196	775,695
Commissions.....	313,414	295,733	273,673	285,140	292,684
Investment Income.....	174,856	198,030	194,342	223,601	165,900
Salaries (lines 14-17).....	299,084	288,346	252,638	213,722	283,776
<b>Other</b>					
Gross Risk in Force.....	635,396,838	602,626,544	582,904,770	578,193,610	600,670,309
Number of Policies.....	1,753	1,751	1,765	1,768	1,832
Operating Expense/Net Premium.....	48 %	51 %	52 %	46 %	47 %