

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0113

**Farmers Mutual Insurance Association**

Scott Gaarder  
726 4th Avenue, Box 273  
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**DECEMBER 31, 2020**

1. Ledger Assets, December 31 of previous year, Total column 1, page 4..... \$ 5,181,164

**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.....	\$ 1,346,745	\$ 52,359	\$ 1,294,386
3. Windstorm.....	1,100,391		1,100,391
4. Crop Hail.....			
Homeowner 5. Assumed.....	XXXXXXX		
6. Totals.....	\$ 2,447,136	\$ 52,359	\$ 2,394,777

7. Aggregate excess loss reinsurance paid..... 911,587

8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)..... \$ 1,483,190

9. Net interest received on bonds..... 111,921

10. Increase in adjustment of bonds 37,880 , less  
1,512 decrease in adjustment of bonds..... 36,368

11. Dividends received..... 121

12. Interest received on bank deposits (schedule C-2, column 7)..... 1,335

13. Interest received on mortgage loans (schedule D, column 6)..... \_\_\_\_\_

14. Other interest..... \_\_\_\_\_

15. Profit on sale of investment..... \_\_\_\_\_

16. Rents received\*..... 6,900

17. Total income from investments (items 9 through 16)..... \$ 156,645

18. Borrowed money..... \_\_\_\_\_

19. Premiums collected for other companies (less refunds)..... 171,333

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)..... \$ 171,333

28. Total income (items 8, 17, and 27)..... \$ 1,811,168

29. Total assets and income (item 1 plus item 28)..... \$ 6,992,332

\*Includes \$5,400 for association's occupancy of its own buildings.

**DECEMBER 31, 2020**

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

\$ 6,992,332

**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.....	\$ 549,099	\$	\$ 538,637
3. Windstorm.....	258,105		258,105
4. Crop Hail .....			
5. Homeowners Assumed.....	XXXXXXXXXX		
6. Totals.....	\$ 807,204	\$	\$ 796,742

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

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

\$ 796,742

**OPERATING EXPENSE**

9. Loss Adjustment Expenses.....	110,719
10. Commissions.....	272,877
11. Advertising.....	49,674
12. Boards, bureaus and associations.....	8,241
13. Inspection and loss prevention.....	3,282
14. Salaries of officers.....	61,400
15. Expenses of officers.....	
16. Salaries of office employees.....	68,444
17. Employee welfare.....	41,762
18. Insurance.....	8,879
19. Directors' compensation.....	3,500
20. Directors' expenses.....	284
21. Rent and rent items.....	8,125
22. Equipment.....	19,345
23. Printing, stationery and supplies.....	8,020
24. Postage and telephone .....	9,984
25. Legal and auditing.....	15,408
26. State insurance taxes (March 1, 1,465 ) (June 1, 12,107 ) (August 15, 12,107 )	25,679
27. Insurance Division licenses and fees.....	488
28. Payroll taxes.....	10,062
29. All other taxes (excluding Federal income).....	42
30. Real estate expenses.....	8,649
31. Real estate taxes.....	1,834
32. Interest on borrowed money.....	
33. Miscellaneous.....	228
a. Annual Meeting.....	1,043
b. Donations/Contributions.....	402
c. Travel and Travel Items.....	
d. Over and Short.....	1

34. ....

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

\$ 738,372

**NON-OPERATING EXPENSE**

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	4,314
38. Loss on sale of investments.....	
39. Federal income tax Prior year, 0 Current year, 0 .....	
40. Premium collections transmitted to other companies.....	137,047
41. Commission paid agents for other companies.....	21,909
42. Decrease in ledger liabilities.....	3,582
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, Decemver 31st must agree with Line 22, Column 1, Page 4...

166,852

\$ 1,701,966

\$ 5,290,366

## 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).....	\$ 4,778,676	\$	\$ 4,778,676	\$ 4,736,979
2. Stocks (schedule A-part 2).....	134,849	6,539	141,388	142,215
3. Bank Balances				
3.1 Subject to check(C-I).....	38,027		38,027	42,520
3.2 On interest (C-2).....	261,751		261,751	182,933
4. Mortgage loans (schedule D)				
4.1 First liens.....				
4.2 Other than first.....				
5. Collateral loans (schedule E).....				
6. Real estate (schedule F).....	73,765		73,765	78,079
7. Cash in office.....	50		50	50
8. Unpaid Premiums				
8.1 Due before Nov 1.....	163	163	X X X X X X	X X X X X X
8.2 Due after Nov 1.....	6,298		6,298	4,473
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	31,014	31,014	30,466
13. Accrued rent due.....	X X X X X X			
14. Equipment and furniture.....	2,725	2,725	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.....	522		522	1,565
20. Service fees & misc receivables..		29,717	29,717	31,100
21. Prepaid Reins. & other assets....				
22. Totals.....	\$ 5,290,365	\$ 73,731	\$ 5,361,208	\$ 5,250,380

\*Bonds are amortized through 12/31/2020.

**LIABILITIES - DECEMBER 31, 2020**

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 10,450		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	10,450		
4. Less: reinsurance recoverable on unpaid losses.....	2,450		
5. Net unpaid claims.....		\$ 8,000	\$ 34,000
6. Unpaid adjusting expenses.....		9,600	9,100
7. Ceded reinsurance balances payable.....		82,578	86,528
8. Unpaid salaries and commissions.....		29,075	21,624
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		2,142	1,966
12. Taxes payable: Real estate.....		1,762	1,906
Federal Income.....			
Premium.....		257	1,465
Other.....		1,072	818
13. Other unpaid expenses.....		8,478	6,439
14. Premiums collected for other companies - not remitted.....		9,754	9,776
15. Premiums received in advance.....		28,707	32,787
16. *Unearned premium reserve.....		982,000	964,000
17. Service Fees and Employee Benefits Payable.....		8,656	7,479
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 1,172,081	\$ 1,177,888
20. Surplus.....		\$ 4,189,127	\$ 4,072,492
21. Total liabilities and surplus.....		\$ 5,361,208	\$ 5,250,380

(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.....	1,346,745	1,332,446	1,252,313	1,230,531	1,331,924
Windstorm.....	1,100,391	1,088,823	1,022,346	1,003,318	1,088,384
Crop Hail.....	0	0	0	0	0
Total.....	2,447,136	2,421,269	2,274,659	2,233,849	2,420,308
<b>Net Premium Written</b>					
Fire.....	1,294,386	1,283,205	1,204,927	1,182,945	1,285,105
Windstorm.....	1,100,391	1,088,823	1,022,346	1,003,318	1,088,384
Crop Hail.....	0	0	0	0	0
Total.....	2,394,777	2,372,028	2,227,273	2,186,263	2,373,489
Total Net of Agg.....	1,483,190	1,398,358	1,151,043	1,092,229	1,320,685
<b>Gross Losses Paid</b>					
Fire.....	549,099	501,844	712,024	300,393	527,673
Windstorm.....	258,105	519,241	389,923	1,259,928	121,075
Crop Hail.....	0	0	0	0	0
Total.....	807,204	1,021,085	1,101,947	1,560,321	648,748
<b>Net Losses Paid</b>					
Fire.....	538,637	490,361	707,322	283,903	510,156
Windstorm.....	258,105	519,241	388,129	1,259,928	121,075
Crop Hail.....	0	0	0	0	0
Total.....	796,742	1,009,602	1,095,451	1,543,831	631,231
Total Net of Agg.....	796,742	1,009,602	1,034,148	1,078,216	553,066
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem.....	41 %	38 %	57 %	24 %	40 %
Windstorm Losses/Windstorm Prem.....	23 %	48 %	38 %	126 %	11 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	33 %	42 %	48 %	70 %	27 %
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem.....	42 %	38 %	59 %	24 %	40 %
Windstorm Losses/Windstorm Prem.....	23 %	48 %	38 %	126 %	11 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	33 %	43 %	49 %	71 %	27 %
Total Net Agg Losses/Total Net Ag Prem	54 %	72 %	90 %	99 %	42 %
<b>Balance Sheet Items</b>					
Total Admitted Assets.....	5,361,207	5,250,380	5,398,160	5,711,925	6,126,016
Liabilities.....	1,172,080	1,177,888	1,188,894	1,231,278	1,232,721
Surplus.....	4,189,127	4,072,492	4,209,266	4,480,647	4,893,295
Bonds.....	4,778,676	4,736,979	5,073,532	5,447,558	5,779,202
Stocks.....	141,388	142,215	44,399	50,325	49,385
Real Estate.....	73,765	78,079	82,393	86,707	91,021
Unpaid Premium(line 8.1).....	163	57	0	72	23
Unpaid Premium(line 8.2).....	6,298	4,473	10,967	6,708	12,789
Agent's Balances.....	0	0	0	0	9
Unearned Premium.....	982,000	964,000	911,000	896,000	963,000
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets.....	89 %	90 %	94 %	95 %	94 %
Stocks/Admitted Assets.....	3 %	3 %	1 %	1 %	1 %
Real Estate/Admitted Assets.....	1 %	1 %	2 %	2 %	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.....	1,811,169	1,776,517	1,619,943	1,580,906	1,726,063
Total Disbursements.....	1,701,968	1,927,018	1,934,373	1,970,123	1,704,087
Operating Expense.....	738,374	738,549	719,077	723,802	865,221
Commissions.....	272,877	267,377	248,761	246,643	389,824
Investment Income.....	156,646	185,409	194,952	215,798	217,429
Salaries (lines 14-17).....	171,606	160,148	177,280	188,544	172,777
<b>Other</b>					
Gross Risk in Force.....	682,178,956	662,550,745	631,310,021	606,238,473	604,195,574
Number of Policies.....	1,777	1,811	1,794	1,811	1,909
Operating Expense/Net Premium.....	50 %	53 %	62 %	66 %	66 %