

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0117

**Farmers Mutual Insurance Association**

Duane McGregor  
915 Broadway, P.O. Box 333  
Emmetsburg IA 50536

**DECEMBER 31, 2020**

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 . . . . . \$ 7,418,997

**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	\$ 1,285,691	\$	\$ 962	\$ 1,284,729
3. Windstorm	1,212,733		962	1,211,771
4. Crop hail				
5. Homeowners assumed	xxxxxxx			
6. Totals	\$ 2,498,424	\$	\$ 1,924	\$ 2,496,500
7. Aggregate excess loss reinsurance paid				433,139
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)				\$ 2,063,361
9. Net interest received on bonds				126,666
10. Increase in adjustment of bonds \$		1,217	, less	
\$	16,175	decrease in adjustment of bonds		(14,958)
11. Dividends received				74,832
12. Interest received on bank deposits (schedule C-2, column 7)				3,138
13. Interest received on mortgage loans (schedule D, column 6)				
14. Other Interest				
15. Profit on sale of investment				11,211
16. Rents received*				1,200
17. Total income from investments (items 9 through 16)				\$ 202,089
18. Borrowed money				
19. Premiums collected for other companies (less refunds)				
20. Checks charged off				
21. Increase in ledger liabilities				1,575
22. Underwriting expense reimbursement				16,360
23. Federal income tax refund				
24. Miscellaneous income				25
25.				
26.				
27. Total (items 18 through 26)				\$ 17,960
28. Total income (items 8, 17 and 27)				\$ 2,283,410
29. Total assets and income (item 1 plus item 28)				\$ 9,702,407

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

## DECEMBER 31, 2020

1. Amount brought forward from line 29 page 2 \$ 9,702,407

### DISBURSEMENTS - DECREASES IN LEDGER ASSETS

		(1)		(2)		(3)		(4)
		Direct		Reinsurance		Specific Reinsuran		Net Losses Paid
		Losses		Assumed		Recovered		(1 + 2 - 3 = 4)
2. Fire.	\$	784,062		\$		\$		\$ 784,062
3. Windstorm		625,772						625,772
4. Crop Hail								
5. Homeowners Assumed		xxxxxxx						
6. Totals	\$	1,409,834		\$		\$		\$ 1,409,834

7. Received from aggregate excess loss reinsurance 210,678

8. Total of all net losses (line 6, col.4 - line 7 = line 8) \$ 1,199,156

### OPERATING EXPENSE

9. Loss Adjustment Expenses								91,405
10. Commissions								357,868
11. Advertising								1,012
12. Boards, bureaus and associations								8,299
13. Inspection and loss prevention								
14. Salaries of officers.								80,833
15. Expenses of officers								
16. Salaries of office employees								78,817
17. Employee welfare								57,583
18. Insurance								23,011
19. Directors' compensation								12,466
20. Directors' expenses								
21. Rent and rent items								4,865
22. Equipment								22,385
23. Printing, stationery and supplies								1,079
24. Postage and telephone								11,580
25. Legal and auditing								21,090
26. State insurance taxes		March		1,411				
		June 1	12,158	August 15		12,158		25,727
27. Insurance Division licenses and fees								893
28. Payroll taxes								20,574
29. All other taxes (excluding Federal income)								116
30. Real estate expenses								1,825
31. Real estate taxes								3,438
32. Interest on borrowed money								
33. Miscellaneous								7,366
a Data Processing								22,014
b Meals & Entertainment								2,913
c Education								3,016
d Investment Expense								19,406
34. .								
35. Total operating expense (items 9 through 34)								\$ 879,581

### NON-OPERATING EXPENSE

36. Borrowed money repaid								
37. Depreciation on real estate								4,417
38. Loss on sale of investments								19,163
39. Federal income tax			45,260	Current year		60,640		105,900
40. Premium collections transmitted to other companies								
41. Commissions paid agents for other companies								
42. Decrease in ledger liabilities								
43. .								
44. Total non-operating expense (items 36 through 43)								\$ 129,480
45. Total disbursements (items 8, 35 and 44)								\$ 2,208,217
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4								\$ 7,494,190

## 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)	\$ 4,072,761			4,072,761	\$ 3,726,985
2. Stocks (schedule A-part 2).	2,032,858	932,222		2,965,080	\$ 2,695,719
3. Bank Balances					
3.1 Subject to check (C-1)	208,621			208,621	\$ 211,998
3.2 On interest (C-2)	228,196			228,196	\$ 310,768
4. Mortgage loans (schedule D)					
4.1 First liens					
4.2 Other than first					
5. Collateral loans (schedule E)					
6. Real estate (schedule F)	136,753			136,753	\$ 141,170
7. Cash in office	50			50	\$ 50
8. Unpaid Premiums					
8.1 Due before November 1				xxxxxxx	
8.2 Due after November 1	389,478		384,635	4,843	\$ 3,357
9. Bills receivable				xxxxxxx	
10. Agents' balances					
11. Reinsurance receivable on paid losses		82,444		82,444	\$ 4,926
12. Accrued interest	xxxxxxx	34,335		34,335	\$ 30,354
13. Accrued rent due	xxxxxxx				
14. Equipment and furniture	11		11	xxxxxxx	xxxxxxx
15. Supplies				xxxxxxx	xxxxxxx
16. Automobiles	22,233		22,233	xxxxxxx	xxxxxxx
17. Cash surrender value of life ins.					
18. Federal income tax recoverable		3,400	3,400		
19. Prepaid Reinsurance	400,000			400,000	\$ 400,000
20. Employee Benefit Receivable	(1,771)			(1,771)	\$ (1,216)
21. Electronic Data Process Equip	5,000			5,000	
22. Totals	\$ 7,494,190	\$ 1,052,401	\$ 410,279	\$ 8,136,312	\$ 7,524,111

## LIABILITIES - DECEMBER 31, 2020

	Current Year	Prior Year
1. Unpaid claims (reported)	\$ 351,430	
2. Unpaid claims (incurred but not reported)	5,000	
3. Total unpaid losses	356,430	
4. Less: reinsurance recoverable on unpaid losses	160,692	
5. Net unpaid claims	\$ 195,738	\$ 289,058
6. Unpaid adjusting expenses	5,000	5,000
7. Ceded reinsurance balances payable	30,358	35,063
8. Unpaid salaries and commissions	135,315	133,853
9. Borrowed money		
10. Interest due on borrowed money		
11. Amounts withheld for the account of others	2,539	3,037
12. Taxes payable: Real Estate	1,720	1,753
Federal Income		48,300
Premium	668	1,411
Other	2,146	2,814
13. Other unpaid expenses	5,464	5,093
14. Premiums collected for other companies - not remitted	19,764	18,736
15. Premiums received in advance	69,471	55,735
*16. Unearned premium reserve	870,928	840,086
17. Service Fees and Employee Benefits Payable		
18. Miscellaneous Liabilities		
19. Total liabilities	\$ 1,339,111	\$ 1,439,939
20. Surplus	\$ 6,797,201	\$ 6,084,172
21. Total liabilities and surplus	\$ 8,136,312	\$ 7,524,111

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

\*Method of calculation:

## HISTORICAL INFORMATION

	2020	2019	2018	2017	2016
<b><u>Gross Premium</u></b>					
Fire	1,285,691	1,253,752	1,179,828	1,147,235	1,058,054
Windstorm	1,212,733	1,179,182	1,111,393	1,076,008	993,103
Crop Hail	-	-	-	-	-
Total	2,498,424	2,432,934	2,291,221	2,223,243	2,051,157
<b><u>Net Premiums Written</u></b>					
Fire	1,284,729	1,252,348	1,178,952	1,146,684	1,057,599
Windstorm	1,211,771	1,177,777	1,110,516	1,075,456	992,647
Crop Hail	-	-	-	-	-
Total	2,496,500	2,430,125	2,289,468	2,222,140	2,050,246
Total Net of Agg	2,063,361	2,013,059	1,886,991	1,817,280	1,652,434
<b><u>Gross Losses Paid</u></b>					
Fire	784,062	394,855	358,972	449,218	448,282
Windstorm	625,772	1,398,693	4,364,220	748,397	214,869
Crop Hail	-	-	-	-	-
Total	1,409,834	1,793,548	4,723,192	1,197,615	663,151
<b><u>Net Losses Paid</u></b>					
Fire	784,062	394,855	358,972	449,218	448,282
Windstorm	625,772	1,398,693	4,364,220	748,397	214,869
Crop Hail	-	-	-	-	-
Total	1,409,834	1,793,548	4,723,192	1,197,615	663,151
Total Net of Agg	1,199,156	417,956	1,456,695	1,024,106	642,189
<b><u>Loss Percentage (Direct)</u></b>					
Fire Losses/Fire Prem	61.0%	31.5%	30.4%	39.2%	42.4%
Windstorm Losses/Windstorm Prem	51.6%	118.6%	392.7%	69.6%	21.6%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	56.4%	73.7%	206.1%	53.9%	32.3%
<b><u>Loss Percentage (Net)</u></b>					
Fire Losses/Fire Prem	61.0%	31.5%	30.4%	39.2%	42.4%
Windstorm Losses/Windstorm Prem	51.6%	118.8%	393.0%	69.6%	21.6%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	56.5%	73.8%	206.3%	53.9%	32.3%
Tot Net Agg Losses/Tot Net Agg Prem	58.1%	20.8%	77.2%	56.4%	38.9%
<b><u>Balance Sheet Items</u></b>					
Total Admitted Assets	8,136,312	7,524,111	6,277,573	6,705,592	6,177,646
Liabilities	1,339,111	1,439,939	1,086,487	1,120,569	1,176,737
Surplus	6,797,201	6,084,172	5,191,086	5,585,023	5,000,909
Bonds	4,072,761	3,726,985	3,193,282	2,949,637	3,045,514
Stocks	2,965,080	2,695,719	2,258,644	2,689,853	1,975,300
Real Estate	136,753	141,170	145,588	150,000	154,422
Unpaid Premium (line 8.1)	-	66	274	400	187
Unpaid Premium (line 8.2)	4,843	3,357	6,424	11,658	8,529
Agents' Balances	-	-	-	-	-
Unearned Premium	870,928	840,086	790,485	765,555	714,492
<b><u>Balance Sheet Percentages</u></b>					
Bonds/Admitted Assets	50%	50%	51%	44%	49%
Stocks/Admitted Assets	36%	36%	36%	40%	32%
Real Estate/Admitted Assets	2%	2%	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><u>Income/Disbursement Items</u></b>					
Total Income	2,283,410	2,400,742	2,326,641	2,063,643	1,887,202
Total Disbursements	2,208,217	1,368,221	2,363,394	1,849,165	1,407,825
Operating Expense	879,581	838,811	810,774	799,384	740,261
Commissions	357,868	307,501	330,862	322,026	300,022
Investment Income	202,089	373,525	305,460	232,196	191,710
Salaries (lines 14-17)	217,233	186,068	196,603	195,951	190,820
<b><u>Other</u></b>					
Gross Risk in Force	653,685,717	638,961,928	599,396,849	580,797,207	544,133,687
Number of Policies	2,070	2,064	2,010	1,990	1,920
Operating Expense/Net Premium	43%	42%	43%	44%	45%