

**December 31, 2020 - Annual Statement**

*Iowa Company Number:* 0141

**Farmers Mutual Insurance Association**

Dan Dierks  
P.O. Box 59  
Traer

IA

50675-00

**DECEMBER 31, 2020**

1. Ledger Assets, December 31 of previous year, Total column 1, page 4..... \$ 3,860,355

**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.....	\$ 468,526	\$ 4,193	\$ 464,333
3. Windstorm.....	437,034		437,034
4. Crop Hail.....			
Homeowner 5. Assumed.....	XXXXXXXX		
6. Totals.....	\$ 905,560	\$ 4,193	\$ 901,367

7. Aggregate excess loss reinsurance paid..... 425,332

8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8) ..... \$ 476,035

9. Net interest received on bonds..... 88,757

10. Increase in adjustment of bonds 5,967, less  
13,436 decrease in adjustment of bonds..... (7,469)

11. Dividends received..... 6,237

12. Interest received on bank deposits (schedule C-2, column 7)..... 3,524

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

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

15. Profit on sale of investment..... 42,162

16. Rents received\*..... 3,600

17. Total income from investments (items 9 through 16)..... \$ 136,811

18. Borrowed money..... 600,000

19. Premiums collected for other companies (less refunds)..... 41,309

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)..... \$ 641,309

28. Total income (items 8, 17, and 27)..... \$ 1,254,155

29. Total assets and income (item 1 plus item 28)..... \$ 5,114,510

\*Includes \$2,400 for association's occupancy of its own buildings.

**DECEMBER 31, 2020**

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

\$ 5,114,510

**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.....	\$ 192,164	\$	\$	\$ 192,164
3. Windstorm.....	4,482,362			4,482,362
4. Crop Hail .....				
5. Homeowners Assumed.....	XXXXXXXXXX			
6. Totals.....	\$ 4,674,526	\$	\$	\$ 4,674,526

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

4,198,395

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

\$ 476,131

**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, 0 ) (June 1, 4,238 ) (August 15, 4,617 )
- 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).....

183,948
125,550
2,575
6,390
40,496
88,654
420
12,996
3,420
2,626
10,495
2,093
22,846
9,850
8,855
130
10,785
4,841
1,038
354
450
100
394

\$ 539,306

**NON-OPERATING EXPENSE**

- 36. Borrowed money repaid.....
- 37. Depreciation on real estate.....
- 38. Loss on sale of investments.....
- 39. Federal income tax Prior year, 354 Current year, 16,488 .....
- 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...

600,000
311
25,461
16,842
33,182
6,222
2,574

684,592

\$ 1,700,029

\$ 3,414,481

**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).....	\$ 2,624,575	\$	\$	\$ 2,624,575	\$ 2,619,833
2. Stocks (schedule A-part 2).....	256,804	40,501		297,305	286,249
3. Bank Balances					
3.1 Subject to check(C-I).....	(276,765)			(276,765)	6,638
3.2 On interest (C-2).....	793,515			793,515	981,779
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	9,641			9,641	9,952
7. Cash in office.....					
8. Unpaid Premiums					
8.1 Due before November 1.....				X X X X X X	X X X X X X
8.2 Due after November 1.....		5,161		5,161	4,254
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.....		203,593		203,593	
12. Accrued interest.....	X X X X X X	25,917		25,917	23,876
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....				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.....	6,710			6,710	1,454
20. Service fees & misc receivables.					
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 3,414,480	\$ 275,172	\$	\$ 3,689,652	\$ 3,934,035

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

**LIABILITIES - DECEMBER 31, 2020**

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 2,102,169		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	<u>2,102,169</u>		
4. Less: reinsurance recoverable on unpaid losses.....	<u>2,102,169</u>		
5. Net unpaid claims.....		\$	\$ 38,400
6. Unpaid adjusting expenses.....		<u>7,500</u>	<u>2,100</u>
7. Ceded reinsurance balances payable.....		<u>35,868</u>	<u>34,856</u>
8. Unpaid salaries and commissions.....		<u>7,926</u>	<u>3,728</u>
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....			<u>2,430</u>
12. Taxes payable: Real estate.....		<u>1,038</u>	<u>1,082</u>
Federal Income.....		<u>1,000</u>	<u>3,000</u>
Premium.....		<u>-</u>	<u>-</u>
Other.....		<u>-</u>	<u>773</u>
13. Other unpaid expenses.....		<u>1,326</u>	
14. Premiums collected for other companies - not remitted.....		<u>2,724</u>	<u>2,409</u>
15. Premiums received in advance.....			<u>6,194</u>
16.* Unearned premium reserve.....		<u>362,000</u>	<u>362,000</u>
17. Service Fees and Employee Benefits Payable.....			
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ <u>419,382</u>	\$ <u>456,972</u>
20. Surplus.....		\$ <u>3,270,270</u>	\$ <u>3,477,063</u>
21. Total liabilities and surplus.....		\$ <u>3,689,652</u>	\$ <u>3,934,035</u>

(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.....	468,526	476,833	497,485	493,336	496,690
Windstorm.....	437,034	446,445	463,589	459,308	459,645
Crop Hail.....	0	0	0	0	0
Total.....	905,560	923,278	961,074	952,644	956,335
<b>Net Premium Written</b>					
Fire.....	464,333	472,618	492,933	488,595	491,259
Windstorm.....	437,034	446,445	463,589	459,308	459,645
Crop Hail.....	0	0	0	0	0
Total.....	901,367	919,063	956,522	947,903	950,904
Total Net of Agg.....	476,035	505,792	551,591	554,727	568,600
<b>Gross Losses Paid</b>					
Fire.....	192,164	283,493	278,084	417,225	186,238
Windstorm.....	4,482,362	69,038	136,486	633,639	68,730
Crop Hail.....	0	0	0	0	0
Total.....	4,674,526	352,531	414,570	1,050,864	254,968
<b>Net Losses Paid</b>					
Fire.....	192,164	283,493	278,084	417,225	186,238
Windstorm.....	4,482,362	69,038	136,486	633,639	68,730
Crop Hail.....	0	0	0	0	0
Total.....	4,674,526	352,531	414,570	1,050,864	254,968
Total Net of Agg.....	476,131	242,621	305,031	612,571	215,902
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem.....	41 %	59 %	56 %	85 %	37 %
Windstorm Losses/Windstorm Prem.....	1,026 %	15 %	29 %	138 %	15 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	516 %	38 %	43 %	110 %	27 %
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem.....	41 %	60 %	56 %	85 %	38 %
Windstorm Losses/Windstorm Prem.....	1,026 %	15 %	29 %	138 %	15 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	519 %	38 %	43 %	111 %	27 %
Total Net Agg Losses/Total Net Ag Prem	100 %	48 %	55 %	110 %	38 %
<b>Balance Sheet Items</b>					
Total Admitted Assets.....	3,689,654	3,934,034	3,949,005	4,080,308	4,353,747
Liabilities.....	419,382	456,972	452,821	443,122	560,347
Surplus.....	3,270,272	3,477,062	3,496,184	3,637,186	3,793,400
Bonds.....	2,624,575	2,619,833	2,771,136	2,812,229	2,833,576
Stocks.....	297,306	286,249	513,871	517,656	526,257
Real Estate.....	9,641	9,952	10,633	14,579	15,057
Unpaid Premium(line 8.1).....	0	13,285	0	0	0
Unpaid Premium(line 8.2).....	5,161	4,254	13,351	14,968	6,791
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	362,000	362,000	379,000	381,000	379,000
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets.....	71 %	67 %	70 %	69 %	65 %
Stocks/Admitted Assets.....	8 %	7 %	13 %	13 %	12 %
Real Estate/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
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.....	1,254,154	679,568	694,704	706,584	720,088
Total Disbursements.....	1,700,028	739,180	738,610	1,043,317	652,105
Operating Expense.....	539,305	368,058	359,523	364,640	369,986
Commissions.....	125,550	128,655	133,617	132,424	132,656
Investment Income.....	136,810	128,666	97,326	105,653	101,699
Salaries (lines 14-17).....	129,570	122,714	118,616	117,679	118,217
<b>Other</b>					
Gross Risk in Force.....	206,609,323	212,955,439	221,585,317	225,451,922	228,212,493
Number of Policies.....	470	502	523	546	567
Operating Expense/Net Premium.....	113 %	73 %	65 %	66 %	65 %