

**December 31, 2021 - Annual Statement**

*Iowa Company Number:* 0036

**Clay Mutual Insurance Association**

Cindy Thompson  
515 GRAND, PO BOX 467  
SPENCER IA 51301

**DECEMBER 31, 2021**

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 . . . . . \$ 5,347,816

**INCOME - INCREASES IN LEDGER ASSETS**

| PREMIUMS  |   |  |   |              |
|---|---|--|---|--------------|
| (1)<br>Direct<br>Premiums   | (2)<br>Reinsurance<br>Premiums<br>Assumed | (3)<br>Per Risk<br>Reinsurance<br>Premiums Ceded | (4)<br>Net<br>Premiums<br>(1 + 2 - 3 = 4) |              |
| 2. Fire   | \$ 1,313,390                              | \$   | \$ 111,027                                | \$ 1,202,363 |
| 3. Windstorm  | 1,223,863                                 |  | 111,026                                   | 1,112,837    |
| 4. Other  |   |  |   |              |
| 5. Totals   | \$ 2,537,253                              | \$   | \$ 222,053                                | \$ 2,315,200 |
| 6. All reinsurance premiums ceded other than Per Risk             |   |  | 409,681                                   |              |
| 7. Total net premiums and fees (line 5, col. 4 - line 6 = line 7) |   |  |   | \$ 1,905,519 |
| 8. Interest received on bonds                                     |   |  | 100,405                                   |              |
| 9. Increase in adjustment of bonds \$                             |   | 723  |   |              |
| \$ 22,770 decrease in adjustment of bonds                         |   |  | (22,047)                                  |              |
| 10. Dividends received  |   |  | 111,406                                   |              |
| 11. Interest received on bank deposits (schedule C-2, column 7)   |   |  | 1,525                                     |              |
| 12. Other Interest  |   |  |   |              |
| 13. Profit on sale of investment                                  |   |  | 56,332                                    |              |
| 14. Rents received*   |   |  | 16,000                                    |              |
| 15. Total income from investments (items 8 through 14)            |   |  |   | \$ 263,621   |
| 16. Borrowed money  |   |  |   |              |
| 17. Premiums collected for other companies (less refunds)         |   |  | 241,715                                   |              |
| 18. Increase in ledger liabilities                                |   |  | 7,384                                     |              |
| 19. "Overwrite Fees" received                                     |   |  |   |              |
| 20. Federal income tax refund                                     |   |  |   |              |
| 21. Miscellaneous income  |   |  | 251                                       |              |
| 22.   |   |  |   |              |
| 23. Total (items 16 through 22)                                   |   |  |   | \$ 249,350   |
| 24. Total income (items 7, 15, and 23)                            |   |  |   | \$ 2,418,490 |
| 25. Total assets and income (item 1 plus item 24)                 |   |  |   | \$ 7,766,306 |

\*Includes \$ 8,000 For association's occupancy of its own buildings

**DECEMBER 31, 2021**

1. Amount brought forward from line 25 page 2

\$ 7,766,306

**DISBURSEMENTS - DECREASES IN LEDGER ASSETS**

|  | (1)              | (2)                    | (3)                                     | (4)                                |              |
|--|------------------|------------------------|---|------------------------------------|--------------|
|  | Direct<br>Losses | Reinsurance<br>Assumed | Per Risk<br>Reinsurance<br>Losses Ceded | Net Losses Paid<br>(1 + 2 - 3 = 4) |              |
| 2. Fire.   | \$ 905,647       |                        | \$ 215,361                              | \$ 690,286                         |              |
| 3. Windstorm   | 313,088          |                        |   | 313,088                            |              |
| 4. Other (Sch G)   |                  |                        |   |                                    |              |
| 5. Totals  | \$ 1,218,735     | \$                     | \$ 215,361                              | \$ 1,003,374                       |              |
| 6. All reinsurance losses ceded other than Per Risk Losses                           |                  |                        |   | 82,119                             |              |
| 7. Net losses (line 5, col.4 - line 6 = line 7)                                      |                  |                        |   |                                    | \$ 921,255   |
| <b>OPERATING EXPENSE</b>   |                  |                        |   |                                    |              |
| 8. Loss Adjustment Expenses  |                  |                        |   | 39,063                             |              |
| 9. Commissions   |                  |                        |   | 270,553                            |              |
| 10. Advertising  |                  |                        |   | 4,708                              |              |
| 11. Boards, bureaus and associations   |                  |                        |   | 9,654                              |              |
| 12. Inspection and loss prevention   |                  |                        |   | 26,843                             |              |
| 13. Salaries of officers.  |                  |                        |   | 65,635                             |              |
| 14. Expenses of officers   |                  |                        |   |                                    |              |
| 15. Salaries of office employees   |                  |                        |   | 92,369                             |              |
| 16. Employee welfare   |                  |                        |   | 68,766                             |              |
| 17. Insurance  |                  |                        |   | 18,655                             |              |
| 18. Directors' compensation  |                  |                        |   | 4,650                              |              |
| 19. Directors' expenses  |                  |                        |   | 2,514                              |              |
| 20. Rent and other items   |                  |                        |   | 8,000                              |              |
| 21. Equipment  |                  |                        |   | 29,213                             |              |
| 22. Printing, stationery and supplies  |                  |                        |   | 2,245                              |              |
| 23. Postage and telephone  |                  |                        |   | 28,701                             |              |
| 24. Legal and auditing   |                  |                        |   | 12,090                             |              |
| 25. State insurance taxes  | March 1          | 246                    |   |                                    |              |
|  | June 1           | 11,873                 | August 15                               | 11,873                             | 23,992       |
| 26. Insurance Division licenses and fees   |                  |                        |   | 264                                |              |
| 27. Payroll taxes  |                  |                        |   | 16,721                             |              |
| 28. All other taxes (excluding Federal income)                                       |                  |                        |   |                                    |              |
| 29. Real estate expenses   |                  |                        |   | 4,739                              |              |
| 30. Real estate taxes  |                  |                        |   | 4,934                              |              |
| 31. Interest on borrowed money   |                  |                        |   |                                    |              |
| 32. Miscellaneous  |                  |                        |   | 859                                |              |
| Annual Meeting Expense   |                  |                        |   |                                    |              |
| Donations/Contributions  |                  |                        |   | 2,747                              |              |
| Travel & Travel Items  |                  |                        |   | 6,682                              |              |
| Over and Short   |                  |                        |   | 8                                  |              |
| 33. Automobile Expense   |                  |                        |   |                                    |              |
| 34. Total operating expense (items 8 through 33)                                     |                  |                        |   |                                    | \$ 744,605   |
| <b>NON-OPERATING EXPENSE</b>   |                  |                        |   |                                    |              |
| 35. Borrowed money repaid  |                  |                        |   |                                    |              |
| 36. Depreciation on real estate  |                  |                        |   | 6,897                              |              |
| 37. Loss on sale of investments  |                  |                        |   |                                    |              |
| 38. Federal income tax Prior year  | 15,030           |                        | Current year                            | 18,800                             | 33,830       |
| 39. Premium collections transmitted to other companies                               |                  |                        |   | 201,414                            |              |
| 40. Commissions paid agents for other companies                                      |                  |                        |   | 28,213                             |              |
| 41. Decrease in ledger liabilities   |                  |                        |   |                                    |              |
| 42. .  |                  |                        |   |                                    |              |
| 43. Total non-operating expense (items 35 through 42)                                |                  |                        |   |                                    | \$ 270,354   |
| 44. Total disbursements (items 7, 34 and 43)   |                  |                        |   |                                    | \$ 1,936,214 |
| 45. Balance - ledger assets, December 31st must agree with Line 17, Column 1, Page 4 |                  |                        |   |                                    | \$ 5,830,092 |

## ASSETS - DECEMBER 31, 2021

|  | (1)<br>Ledger Assets | (2)<br>Non-ledger | (3)<br>Non-admitted Assets<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)             | \$ 3,561,905         |                   |  | 3,561,905  | \$ 2,880,076                                |
| 2. Stocks (schedule A-part 2).           | 1,358,510            | 1,171,182         |  | 2,529,692  | \$ 2,301,859                                |
| 3. Bank Balances                         |                      |                   |  |  |   |
| 3.1 Check (C-1)                          | 672,886              |                   |  | 672,886  | \$ 803,384                                  |
| 3.2 Interest Bearing (C-2)               |                      |                   |  |  |   |
| 4. Real estate (schedule F)              | 111,337              |                   |  | 111,337  | \$ 118,234                                  |
| 5. Cash in office                        | 30                   |                   |  | 30   | \$ 30                                       |
| 6. Unpaid Premiums                       |                      |                   |  |  |   |
| 6.1 Due before November 1                |                      |                   |  | xxxxxxx  |   |
| 6.2 Due after November 1                 |                      | 10,494            |  | 10,494   | \$ 35,931                                   |
| 7. Reinsurance receivable on paid losses |                      |                   |  |  |   |
| 8. Accrued interest                      | xxxxxxx              | 31,168            |  | 31,168   | \$ 21,797                                   |
| 9. Accrued rent due                      | xxxxxxx              |                   |  |  |   |
| 10. Equipment and furniture              | 1,008                |                   | 1,008  | xxxxxxx  | xxxxxxx                                     |
| 11. Automobiles                          | 9,416                |                   | 9,416  | xxxxxxx  | xxxxxxx                                     |
| 12. Cash surrender value of life ins.    |                      |                   |  |  |   |
| 13. Federal income tax recoverable       |                      | 2,900             | 2,900  |  |   |
| 14. Electronic Data Process Equip        | 5,000                |                   |  | 5,000  | \$ 5,000                                    |
| 15. Due from Clay Agency                 |                      |                   |  |  | \$ 1,121                                    |
| 16. Prepaid Reinsurance                  | 110,000              |                   |  | 110,000  | \$ 110,000                                  |
| 17. Totals                               | \$ 5,830,092         | \$ 1,215,744      | \$ 13,324  | \$ 7,032,512   | \$ 6,277,432                                |

**LIABILITIES - DECEMBER 31, 2021**

|   |            | Current Year | Prior Year   |
|---|------------|--------------|--------------|
| 1. Unpaid claims (reported)                               | \$ 587,410 |              |              |
| 2. Unpaid claims (incurred but not reported)              | 15,000     |              |              |
| 3. Total unpaid losses                                    | 602,410    |              |              |
| 4. Less: reinsurance recoverable on unpaid losses         |            |              |              |
| 5. Net unpaid claims                                      |            | \$ 602,410   | \$ 258,011   |
| 6. Unpaid adjusting expenses                              |            | 13,827       | 8,464        |
| 7. Ceded reinsurance balances payable                     |            | 53,012       | 48,213       |
| 8. Unpaid salaries and commissions                        |            | 33,771       | 31,702       |
| 9. Borrowed money   |            |              |              |
| 10. Interest due on borrowed money                        |            |              |              |
| 11. Amounts withheld for the account of others            |            | 177          | 214          |
| 12. Taxes payable: Real Estate                            |            | 1,680        | 3,160        |
| Federal Income  |            |              | 16,000       |
| Premium   |            | 1,627        | 246          |
| Other   |            | 1,311        | 1,363        |
| 13. Other unpaid expenses                                 |            | 2,411        | 2,412        |
| 14. Premiums collected for other companies - not remitted |            | 11,152       | 12,170       |
| 15. Premiums received in advance                          |            | 7,840        | 11,284       |
| *16. Unearned premium reserve                             |            | 985,130      | 945,728      |
| 17. Service Fees and Employee Benefits Payable            |            |              |              |
| 18. Miscellaneous Liabilities                             |            |              |              |
| 19. Total liabilities                                     |            | \$ 1,714,348 | \$ 1,338,967 |
| 20. Surplus   |            | \$ 5,318,164 | \$ 4,938,465 |
| 21. Total liabilities and surplus                         |            | \$ 7,032,512 | \$ 6,277,432 |

(line 21 must agree with line 17, column 4, page 4)

\*Method of calculation: 40% method

## HISTORICAL INFORMATION

|  | 2021        | 2020        | 2019        | 2018        | 2017        |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Gross Premium</b>                   |             |             |             |             |             |
| Fire                                   | 1,313,390   | 1,226,567   | 1,207,357   | 1,139,635   | 1,138,896   |
| Windstorm                              | 1,223,863   | 1,148,062   | 1,142,680   | 1,057,740   | 1,073,125   |
| Other                                  | -           |             |             |             |             |
| Total Direct Premiums                  | 2,537,253   | 2,374,629   | 2,350,037   | 2,197,375   | 2,212,021   |
| <b>Net Premiums Written</b>            |             |             |             |             |             |
| Fire                                   | 1,202,363   | 1,226,567   | 1,207,357   | 1,139,635   | 1,138,896   |
| Windstorm                              | 1,112,837   | 1,148,062   | 1,142,680   | 1,057,740   | 1,073,125   |
| Other                                  | -           |             |             |             |             |
| Total Direct Premiums                  | 2,315,200   | 2,374,629   | 2,350,037   | 2,197,375   | 2,212,021   |
| Total Net of Reinsurance               | 1,905,519   | 1,798,877   | 1,806,923   | 1,683,871   | 1,713,623   |
| <b>Gross Losses Paid</b>               |             |             |             |             |             |
| Fire                                   | 905,647     | 950,761     | 419,406     | 1,604,935   | 985,790     |
| Windstorm                              | 313,088     | 961,606     | 3,796,662   | 4,400,545   | 548,448     |
| Other                                  | -           |             |             |             |             |
| Total                                  | 1,218,735   | 1,912,367   | 4,216,068   | 6,005,480   | 1,534,238   |
| <b>Net Losses Paid</b>                 |             |             |             |             |             |
| Fire                                   | 690,286     | 950,761     | 419,406     | 1,604,935   | 985,790     |
| Windstorm                              | 313,088     | 961,606     | 3,796,662   | 4,400,545   | 548,448     |
| Other                                  | -           |             |             |             |             |
| Total                                  | 1,003,374   | 1,912,367   | 4,216,068   | 6,005,480   | 1,534,238   |
| Total Net of Reinsurance               | 921,255     | 735,310     | 962,060     | 1,909,384   | 970,439     |
| <b>Loss Percentage (Direct)</b>        |             |             |             |             |             |
| Fire Losses/Fire Prem                  | 69.0%       | 77.5%       | 34.7%       | 140.8%      | 86.6%       |
| Windstorm Losses/Windstorm Prem        | 25.6%       | 83.8%       | 332.3%      | 416.0%      | 51.1%       |
| Other Losses"/Other Premiums           | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Total Losses/Total Prem                | 48.0%       | 80.5%       | 179.4%      | 273.3%      | 69.4%       |
| <b>Loss Percentage (Net)</b>           |             |             |             |             |             |
| Fire Losses/Fire Prem                  | 57.4%       | 77.5%       | 34.7%       | 140.8%      | 86.6%       |
| Windstorm Losses/Windstorm Prem        | 28.1%       | 83.8%       | 332.3%      | 416.0%      | 51.1%       |
| Other Losses"/Other Premiums           | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Total Losses/Total Prem                | 43.3%       | 80.5%       | 179.4%      | 273.3%      | 69.4%       |
| Net Losses/Net Premiums                | 48.3%       | 40.9%       | 53.2%       | 113.4%      | 56.6%       |
| <b>Balance Sheet Items</b>             |             |             |             |             |             |
| Total Admitted Assets                  | 7,032,512   | 6,277,432   | 5,509,351   | 4,795,032   | 5,640,088   |
| Liabilities                            | 1,714,348   | 1,338,967   | 1,163,330   | 998,093     | 1,322,881   |
| Surplus                                | 5,318,164   | 4,938,465   | 4,346,021   | 3,796,939   | 4,317,207   |
| Bonds                                  | 3,561,905   | 2,880,076   | 2,614,239   | 2,666,471   | 2,640,020   |
| Stocks                                 | 2,529,692   | 2,301,859   | 2,150,325   | 1,615,658   | 2,064,872   |
| Real Estate                            | 111,337     | 118,234     | 113,354     | 122,083     | 87,894      |
| Unpaid Premium (line 8.1)              | -           | -           | (52)        | 210         | (418)       |
| Unpaid Premium (line 8.2)              | 10,494      | 35,931      | 1,877       | 30,027      | 11,971      |
| Unearned Premium                       | 985,130     | 945,728     | 900,926     | 866,581     | 865,573     |
| <b>Balance Sheet Percentages</b>       |             |             |             |             |             |
| Bonds/Admitted Assets                  | 51%         | 46%         | 47%         | 56%         | 47%         |
| Stocks/Admitted Assets                 | 36%         | 37%         | 39%         | 34%         | 37%         |
| Real Estate/Admitted Assets            | 2%          | 2%          | 2%          | 3%          | 2%          |
| Unpaid Prem (line 8.2)/Admitted Assets | 0%          | 1%          | 0%          | 1%          | 0%          |
| <b>Income/Disbursement Items</b>       |             |             |             |             |             |
| Total Income                           | 2,418,490   | 2,227,628   | 2,330,444   | 2,287,259   | 2,102,951   |
| Total Disbursements                    | 1,936,214   | 1,788,093   | 1,906,210   | 2,761,317   | 1,796,041   |
| Operating Expense                      | 744,605     | 757,894     | 687,454     | 652,278     | 628,515     |
| Commissions                            | 270,553     | 282,362     | 276,754     | 255,265     | 256,004     |
| Investment Income                      | 263,621     | 173,610     | 190,527     | 400,943     | 213,228     |
| Salaries (lines 14-17)                 | 226,770     | 242,977     | 171,357     | 167,955     | 155,263     |
| <b>Other</b>                           |             |             |             |             |             |
| Gross Risk in Force                    | 608,531,003 | 553,222,293 | 544,973,688 | 532,530,189 | 520,472,366 |
| Number of Policies                     | 1,868       | 1,836       | 1,852       | 1,877       | 1,874       |
| Operating Expense/Net Premium          | 39%         | 42%         | 38%         | 39%         | 37%         |