

December 31, 2021 - Annual Statement

Iowa Company Number: 0046

Farmers Mutual Insurance Association

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DECEMBER 31, 2021

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4					\$ 5,919,704
INCOME - INCREASES IN LEDGER ASSETS					
PREMIUMS					
	(1)	(2)	(3)	(4)	
	Direct Premiums	Reinsurance Premiums Assumed	Per Risk Reinsurance Premiums Ceded	Net Premiums (1 + 2 - 3 = 4)	
2. Fire	\$ 1,904,821			\$ 1,904,821	
3. Windstorm	1,745,269			1,745,269	
4. Other					
5. Totals	\$ 3,650,090			\$ 3,650,090	
6. All reinsurance premiums ceded other than Per Risk				1,182,231	
7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)					\$ 2,467,859
8. Interest received on bonds				158,889	
9. Increase in adjustment of bonds \$		1,853			
\$	12,534			(10,681)	
10. Dividends received				8,980	
11. Interest received on bank deposits (schedule C-2, column 7)				4,306	
12. Other Interest					
13. Profit on sale of investment				21,149	
14. Rents received*				9,000	
15. Total income from investments (items 8 through 14)					\$ 191,643
16. Borrowed money					
17. Premiums collected for other companies (less refunds)					
18. Increase in ledger liabilities					
19. "Overwrite Fees" received					
20. Federal income tax refund				132,900	
21. Miscellaneous income				325	
22.					
23. Total (items 16 through 22)					\$ 133,225
24. Total income (items 7, 15, and 23)					\$ 2,792,727
25. Total assets and income (item 1 plus item 25)					\$ 8,712,431

*Includes _____ For association's occupancy of its own buildings

DECEMBER 31, 2021

1. Amount brought forward from line 29 page 2

\$ 8,712,431

DISBURSEMENTS - DECREASES IN LEDGER ASSETS

	(1) Direct Losses	(2) Reinsurance Assumed	(3) Per Risk Reinsurance Losses Ceded	(4) Net Losses Paid (1 + 2 - 3 = 4)
2. Fire.	\$ 602,970		\$	\$ 602,970
3. Windstorm	1,801,381			1,801,381
4. Other (Sch G)				
5. Totals	\$ 2,404,351	\$	\$	\$ 2,404,351

6. All reinsurance losses ceded other than Per Risk Losses

109,980

7. Net losses (line 6, col.4 - line 7 = line 8)

\$ 2,294,371

OPERATING EXPENSE

8. Loss Adjustment Expenses				113,307
9. Commissions				446,390
10. Advertising				20,323
11. Boards, bureaus and associations				13,327
12. Inspection and loss prevention				600
13. Salaries of officers.				93,000
14. Expenses of officers				
15. Salaries of office employees				105,062
16. Employee welfare				12,420
17. Insurance				15,036
18. Directors' compensation				11,090
19. Directors' expenses				2,950
20. Rent and other items				1,641
21. Equipment				
22. Printing, stationery and supplies				5,059
23. Postage and telephone				16,594
24. Legal and auditing				12,250
25. State insurance taxes				
	March 1			
	June 1	17,780	August 15	17,856
				35,636
26. Insurance Division licenses and fees				212
27. Payroll taxes				21,493
28. All other taxes (excluding Federal income)				
29. Real estate expenses				4,765
30. Real estate taxes				1,894
31. Interest on borrowed money				
32. Miscellaneous				13,694
..Registration Fees & Conventions				2,155
..Travel & Travel Items				1,578
..Meals & Lodging				3,195
..Computer & Equipment Expense				19,027
.				
.				
33. Automobile Expense				
34. Total operating expense (items 9 through 34)				\$ 972,698

NON-OPERATING EXPENSE

35. Borrowed money repaid				
36. Depreciation on real estate				315
37. Loss on sale of investments				10,247
38. Federal income tax Prior year	17,523	Current year	48,000	65,523
39. Premium collections transmitted to other companies				
40. Commissions paid agents for other companies				
41. Decrease in ledger liabilities				
42. .				
43. Total non-operating expense (items 36 through 43)				\$ 76,085
44. Total disbursements (items 8, 35 and 44)				\$ 3,343,154
45. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4				\$ 5,369,277

ASSETS - DECEMBER 31, 2021

	(1) Ledger Assets	(2) Non-ledger	(3) Non-admitted Assets 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)	\$ 4,339,469			4,339,469	\$ 4,794,746
2. Stocks (schedule A-part 2).	521,481		2,167	519,314	\$ 71,816
3. Bank Balances					
3.1 Check (C-1)	209,006			209,006	\$ 273,794
3.2 Interest Bearing (C-2)	288,597			288,597	\$ 744,120
4. Real estate (schedule F)	7,875			7,875	\$ 8,191
5. Cash in office	100			100	\$ 100
6. Unpaid Premiums					
6.1 Due before November 1					
6.2 Due after November 1		5,947		5,947	\$ 32,024
7. Reinsurance receivable on paid losses		54,044		54,044	\$ 3,482
8. Accrued interest	xxxxxxx	28,822		28,822	\$ 31,135
9. Accrued rent due	xxxxxxx				
10. Equipment and furniture					xxxxxxx
11. Automobiles					xxxxxxx
12. Cash surrender value of life ins.					
13. Federal income tax recoverable		48,000		48,000	\$ 132,900
14. Iowa Fair Partnership	2,749		2,749		
15. Recoverable Loss Adj. Exp.		55,400		55,400	
16. .					
17. Totals	\$ 5,369,277	\$ 192,213	\$ 4,916	\$ 5,556,574	\$ 6,092,308

LIABILITIES - DECEMBER 31, 2021

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 1,525,000		
2. Unpaid claims (incurred but not reported)			
3. Total unpaid losses	1,525,000		
4. Less: reinsurance recoverable on unpaid losses	1,490,900		
5. Net unpaid claims		\$ 34,100	\$ 284,200
6. Unpaid adjusting expenses		66,546	14,223
7. Ceded reinsurance balances payable		98,759	95,882
8. Unpaid salaries and commissions		42,658	39,176
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others			
12. Taxes payable: Real Estate		1,862	1,898
Federal Income			25,000
Premium		865	(76)
Other		182	194
13. Other unpaid expenses		3,034	3,535
14. Premiums collected for other companies - not remitted		18,176	17,560
15. Premiums received in advance		58,205	54,579
*16. Unearned premium reserve		1,420,954	1,396,032
17. Service Fees and Employee Benefits Payable		13,230	12,420
18. Miscellaneous Liabilities - Suspense Account		3,287	1,882
19. Total liabilities		\$ 1,761,858	\$ 1,946,505
20. Surplus		\$ 3,794,716	\$ 4,145,803
21. Total liabilities and surplus		\$ 5,556,574	\$ 6,092,308

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

*Method of calculation:

Direct Fire Premiums (Page 2, Line 2, Column 1).....	1,904,821
Direct Wind Premiums (Page 2, Line 3, Column 1).....	1,745,269
Less: Non Refundable Fire & Wind Policy Fees Included in Premiums.....	(68,001)
Add: Reinsurance Homeowners	
Premiums Assumed (Page 2, Line 5, Column 2).....	-
Add: Unpaid Premiums (Page 4, Line 6.2, Column 4).....	5,947
Less: Premiums Received in Advance (Page 5, Line 15).....	(58,205)
Subtotal:	<u>3,529,831</u>
Less: Unpaid Premiums (Prior Year) Page 4, Line 8.2, Column 4	(32,024)
Add: Premiums Received in Advance (Prior Year) Page 5, Line 15	<u>54,579</u>
	3,552,386
Rate	40%
Unearned Premium Reserve	<u><u>1,420,954</u></u>

HISTORICAL INFORMATION

	2021	2020	2019	2018	2017
<u>Gross Premium</u>					
Fire	1,904,821	1,869,126	1,875,139	1,822,309	1,729,757
Windstorm	1,745,269	1,702,032	1,703,560	1,648,729	1,556,649
Other	-	-	-	403,722	447,508
Total Direct Premiums	3,650,090	3,571,158	3,578,699	3,874,760	3,733,914
<u>Net Premiums Written</u>					
Fire	1,904,821	1,869,126	1,875,139	1,822,309	1,729,757
Windstorm	1,745,269	1,702,032	1,703,560	1,648,729	1,556,649
Other	-	-	(8,160)	100,196	101,349
Total Direct Premiums	3,650,090	3,571,158	3,570,539	3,571,234	3,387,755
Total Net of Reinsurance	2,467,859	2,414,514	2,245,267	2,451,728	2,192,139
<u>Gross Losses Paid</u>					
Fire	602,970	704,314	1,988,237	1,323,728	827,354
Windstorm	1,801,381	741,032	487,405	470,492	469,931
Other	-	-	-	190,024	71,906
Total	2,404,351	1,445,346	2,475,642	1,984,244	1,369,191
<u>Net Losses Paid</u>					
Fire	602,970	704,314	1,988,237	1,323,728	827,354
Windstorm	1,801,381	741,032	487,405	470,492	469,931
Other	-	-	-	-	-
Total	2,404,351	1,445,346	2,475,642	1,794,220	1,297,285
Total Net of Reinsurance	2,294,371	1,317,447	1,787,579	1,777,177	1,135,406
<u>Loss Percentage (Direct)</u>					
Fire Losses/Fire Prem	31.7%	37.7%	106.0%	72.6%	47.8%
Windstorm Losses/Windstorm Prem	103.2%	43.5%	28.6%	28.5%	30.2%
Other Losses"/Other Premiums	0.0%	0.0%	0.0%	47.1%	16.1%
Total Losses/Total Prem	65.9%	40.5%	69.2%	51.2%	36.7%
<u>Loss Percentage (Net)</u>					
Fire Losses/Fire Prem	31.7%	37.7%	106.0%	72.6%	47.8%
Windstorm Losses/Windstorm Prem	103.2%	43.5%	28.6%	28.5%	30.2%
Other Losses"/Other Premiums	0.0%	0.0%	0.0%	0.0%	0.0%
Total Losses/Total Prem	65.9%	40.5%	69.3%	50.2%	38.3%
Net Losses/Net Premiums	93.0%	54.6%	79.6%	72.5%	51.8%
<u>Balance Sheet Items</u>					
Total Admitted Assets	5,556,574	6,092,308	5,794,184	6,003,239	5,851,378
Liabilities	1,761,858	1,946,505	1,989,690	2,101,871	1,763,866
Surplus	3,794,716	4,145,803	3,804,494	3,901,368	4,087,512
Bonds	4,339,469	4,794,746	4,445,680	4,735,611	4,528,478
Stocks	519,314	71,816	18,828	17,294	18,446
Real Estate	7,875	8,191	8,500	8,821	9,137
Unpaid Premium (line 8.1)	-	-	-	-	-
Unpaid Premium (line 8.2)	5,947	32,024	30,409	41,286	36,938
Unearned Premium	1,420,954	1,396,032	1,396,264	1,358,852	1,269,573
<u>Balance Sheet Percentages</u>					
Bonds/Admitted Assets	78%	78.70%	76.73%	78.88%	77.39%
Stocks/Admitted Assets	9%	1.18%	0.33%	0.28%	0.32%
Real Estate/Admitted Assets	0%	0.13%	0.15%	0.15%	0.16%
Unpaid Prem (line 8.2)/Admitted Assets	0%	0.53%	0.53%	0.69%	0.63%
<u>Income/Disbursement Items</u>					
Total Income	2,792,727	2,641,520	2,558,034	2,722,288	2,394,911
Total Disbursements	3,343,154	2,318,749	2,792,687	2,759,038	2,136,068
Operating Expense	972,698	925,379	958,775	869,236	850,337
Commissions	446,390	434,064	441,673	493,607	489,841
Investment Income	191,643	170,002	188,442	192,870	190,026
Salaries (lines 14-17)	210,482	198,282	153,659	125,384	121,147
<u>Other</u>					
Gross Risk in Force	1,007,497,878	979,209,884	972,131,010	964,574,118	963,483,464
Number of Policies	2,282	2,382	2,412	2,582	2,660
Operating Expense/Net Premium	39%	38%	43%	35%	39%