

**December 31, 2022 - Annual Statement**

*Iowa Company Number:* 0001

**Adair County Mutual Insurance Association**

Sherol Brown  
168 PUBLIC SQUARE, PO BOX 210  
GREENFIELD IA 50849

**DECEMBER 31, 2022**

|  |                    |                                    |   |                              |             |
|--|--------------------|------------------------------------|---|------------------------------|-------------|
| 1. Ledger Assets, December 31 of previous year, Total, column 1, page 4..... |                    |                                    |   |                              | 2,663,515   |
| <b>INCOME - INCREASES IN LEDGER ASSETS</b>                                   |                    |                                    |   |                              |             |
| <b>PREMIUMS</b>  |                    |                                    |   |                              |             |
|  | (1)                | (2)                                | (3)                                       | (4)                          |             |
|  | Direct<br>Premiums | Reinsurance<br>Premiums<br>Assumed | Per Risk<br>Reinsurance<br>Premiums Ceded | Net<br>Premiums<br>(1+2-3=4) |             |
| 2. Fire  | \$1,011,266        |                                    | \$0                                       | \$1,011,266                  |             |
| 3. Windstorm   | 882,007            |                                    | 0   | 882,007                      |             |
| 4. Other   | 0                  | 0                                  |   | 0                            |             |
| 5. Totals  | \$1,893,273        | \$0                                | \$0                                       | \$1,893,273                  |             |
| 6. All reinsurance premiums ceded other than Per Risk                        |                    |                                    |   | 546,384                      |             |
| 7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)            |                    |                                    |   |                              | \$1,346,889 |
| 8. Interest received on bonds  |                    |                                    |   | 48,409                       |             |
| 9. Increase in adjustment of bonds   |                    | \$ 693                             | , less                                    |                              |             |
|  | \$ 5,615           | decrease in adjustment of bonds    |   | (4,922)                      |             |
| 10. Dividends received   |                    |                                    |   | 27,216                       |             |
| 11. Interest received on bank deposits (schedule C-2, column 7)              |                    |                                    |   | 0                            |             |
| 12. Other interest   |                    |                                    |   | 0                            |             |
| 13. Profit on sale of investment   |                    |                                    |   | 17,314                       |             |
| 14. Rents received*  |                    |                                    |   | 7,800                        |             |
| 15. Total income from investments (items 8 through 14)                       |                    |                                    |   |                              | \$95,817    |
| 16. Borrowed money   |                    |                                    |   | 555,000                      |             |
| 17. Premiums collected for other companies (less refunds)                    |                    |                                    |   | 183,902                      |             |
| 18. Increase in ledger liabilities   |                    |                                    |   | 13,391                       |             |
| 19. "Overwrite Fees" received  |                    |                                    |   | 0                            |             |
| 20. Federal income tax refund  |                    |                                    |   | 0                            |             |
| 21. Miscellaneous income   |                    |                                    |   | 0                            |             |
| 22. Crop Hail Contingency Commission   |                    |                                    |   | 0                            |             |
| 23. Total (items 16 through 22)  |                    |                                    |   |                              | \$752,293   |
| 24. Total income (items 7, 15, and 23)                                       |                    |                                    |   |                              | \$2,194,999 |
| 25. Total assets and income (item 1 plus item 25)                            |                    |                                    |   |                              | \$4,858,514 |

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

**DECEMBER 31, 2022**

|   |  |                  |                        |   |                              |
|---|--|------------------|------------------------|---|------------------------------|
| 1.  | Amount brought forward from line 25, page 2                                      |                  |                        |   | \$4,858,514                  |
| <b>DISBURSEMENTS - DECREASES IN LEDGER ASSETS</b> |  |                  |                        |   |                              |
|   |  | (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   | \$354,168        |                        | \$0                                     | \$354,168                    |
| 3.  | Windstorm  | 2,920,072        |                        | 0                                       | 2,920,072                    |
| 4.  | Other (Sch G)  |                  | 0                      | 0                                       |                              |
| 5.  | Totals   | \$3,274,240      | \$0                    | \$0                                     | \$3,274,240                  |
| 6.  | All reinsurance losses ceded other than Per Risk Losses                          |                  |                        | 2,469,234                               |                              |
| 7.  | Net losses (line 5, col. 4 - line 6 = line 7)                                    |                  |                        |   | \$805,006                    |
| <b>OPERATING EXPENSE</b>                          |  |                  |                        |   |                              |
| 8.  | Loss Adjustment Expenses   |                  |                        | 19,306                                  |                              |
| 9.  | Commissions  |                  |                        | 301,399                                 |                              |
| 10.   | Advertising  |                  |                        | 11,073                                  |                              |
| 11.   | Boards, bureaus and associations   |                  |                        | 9,127                                   |                              |
| 12.   | Inspection and loss prevention   |                  |                        | 39,963                                  |                              |
| 13.   | Salaries of officers   |                  |                        | 69,500                                  |                              |
| 14.   | Expenses of officers   |                  |                        | 2,465                                   |                              |
| 15.   | Salaries of office employees   |                  |                        | 97,046                                  |                              |
| 16.   | Employee welfare   |                  |                        | 45,167                                  |                              |
| 17.   | Insurance  |                  |                        | 18,516                                  |                              |
| 18.   | Directors' compensation  |                  |                        | 7,100                                   |                              |
| 19.   | Directors' expenses  |                  |                        | 3,087                                   |                              |
| 20.   | Rent and rent items  |                  |                        | 1,200                                   |                              |
| 21.   | Equipment  |                  |                        | 63,458                                  |                              |
| 22.   | Printing, stationery and supplies  |                  |                        | 12,060                                  |                              |
| 23.   | Postage and telephone  |                  |                        | 9,685                                   |                              |
| 24.   | Legal and auditing   |                  |                        | 22,042                                  |                              |
| 25.   | State insurance taxes  | March 1          | 188                    |   |                              |
|   |  | June 1           | 7,917                  | August 15                               | 7,917                        |
|   |  |                  |                        |   | 16,022                       |
| 26.   | Insurance Division licenses and fees   |                  |                        | 552                                     |                              |
| 27.   | Payroll taxes  |                  |                        | 17,539                                  |                              |
| 28.   | All other taxes (excluding Federal income)                                       |                  |                        | 126                                     |                              |
| 29.   | Real estate expenses   |                  |                        | 11,116                                  |                              |
| 30.   | Real estate taxes  |                  |                        | 1,825                                   |                              |
| 31.   | Interest on borrowed money   |                  |                        | 32,155                                  |                              |
| 32.   | Miscellaneous  |                  |                        | 26,122                                  |                              |
|   | a. Annual meeting expense  |                  |                        | 5,031                                   |                              |
|   | b. Travel expenses   |                  |                        | 179                                     |                              |
|   | c. Data processing   |                  |                        | 0                                       |                              |
|   | d. Donations   |                  |                        | 2,666                                   |                              |
|   | e. Agency expense reimbursement  |                  |                        | (66,000)                                |                              |
| 33.   | Automobile Expense   |                  |                        | 0                                       |                              |
| 34.   | Total operating expense (items 8 through 33)                                     |                  |                        |   | \$779,527                    |
| <b>NON-OPERATING EXPENSE</b>                      |  |                  |                        |   |                              |
| 35.   | Borrowed money repaid  |                  |                        | 455,000                                 |                              |
| 36.   | Depreciation on real estate  |                  |                        | 1,019                                   |                              |
| 37.   | Loss on sale of investments  |                  |                        | 6,959                                   |                              |
| 38.   | Federal income tax Prior year  | 0                | Current year           | 0                                       | 0                            |
| 39.   | Premium collections transmitted to other companies                               |                  |                        | 152,642                                 |                              |
| 40.   | Commissions paid agents for other companies                                      |                  |                        | 0                                       |                              |
| 41.   | Decrease in ledger liabilities   |                  |                        | 0                                       |                              |
| 42.   |  |                  |                        |   |                              |
| 43.   | Total non-operating expense (items 35 through 42)                                |                  |                        |   | \$615,620                    |
| 44.   | Total disbursements (items 7, 34 and 43)   |                  |                        |   | \$2,200,153                  |
| 45.   | Balance - ledger assets, December 31st must agree with Line 17, Column 1, Page 4 |                  |                        |   | \$2,658,361                  |

## ASSETS - DECEMBER 31, 2022

|  | (1)           | (2)         | (3)   | (4)   | (5)                                  |
|--|---------------|-------------|---|---|--------------------------------------|
|  | Ledger Assets | Non-ledger  | Non-admitted Assets<br>including excess of<br>book over market<br>or amortized values | Current Year<br>Net<br>Admitted Assets<br>(1+2-3=4) | Prior Year<br>Net<br>Admitted Assets |
| 1. Bonds (schedule A - part 1)           | \$1,531,102   |             | 0   | \$1,531,102   | \$1,646,056                          |
| 2. Stocks (schedule A - part 2)          | 731,212       | 1,280,246   | 20,000  | 1,991,458   | 2,011,828                            |
| 3. Bank Balances                         |               |             |   |   |                                      |
| 3.1 Check (C-1)                          | 28,565        |             |   | 28,565  | 27,644                               |
| 3.2 Interest Bearing (C-2)               | 0             |             |   | 0   | 0                                    |
| 4. Real estate (schedule F)              | 50,871        |             |   | 50,871  | 41,193                               |
| 5. Cash in office                        | 200           |             |   | 200   | 200                                  |
| 6. Unpaid Premiums                       |               |             |   |   |                                      |
| 6.1 Due before November 1                | (286)         |             | (286)   | XXXXXXX   | XXXXXXX                              |
| 6.2 Due after November 1                 | 316,697       |             | 316,050   | 647   | 1,412                                |
| 7. Reinsurance receivable on paid losses | 0             | 24,608      |   | 24,608  | 233,902                              |
| 8. Accrued interest                      | XXXXXXX       | 53,179      |   | 53,179  | 13,982                               |
| 9. Accrued rent due                      | XXXXXXX       |             |   | 0   | 0                                    |
| 10. Equipment and furniture              | 0             |             | 0   | XXXXXXX   | XXXXXXX                              |
| 11. Automobiles                          | 0             |             | 0   | XXXXXXX   | XXXXXXX                              |
| 12. Cash surrender value of life ins     | 0             |             |   | 0   | 0                                    |
| 13. Federal income tax recoverable       | 0             | 0           | 0   | 0   | 0                                    |
| 14. Electronic data processing equipment | 0             |             | 0   | 0   | 0                                    |
| 15. Contingency Receivable               | 0             | 0           | 0   | 0   | 0                                    |
| 16. Investment Receivable                | 0             | 0           | 0   | 0   | 0                                    |
| 17. Totals                               | \$2,658,361   | \$1,358,033 | \$335,764   | \$3,680,630   | \$3,976,217                          |

## LIABILITIES - DECEMBER 31, 2022

|      |   | Current Year | Prior Year  |
|------|---|--------------|-------------|
| 1.   | Unpaid claims (reported)                              | \$247,995    |             |
| 2.   | Unpaid claims (incurred but not reported)             | 15,000       |             |
| 3.   | Total unpaid losses                                   | 262,995      |             |
| 4.   | Less: reinsurance recoverable on unpaid losses        | 262,995      |             |
| 5.   | Net unpaid claims                                     | \$0          | \$0         |
| 6.   | Unpaid adjusting expenses                             | 3,458        | 3,292       |
| 7.   | Ceded reinsurance balances payable                    | 45,768       | 42,903      |
| 8.   | Unpaid salaries and commissions                       | 25,047       | 20,053      |
| 9.   | Borrowed money  | 445,000      | 345,000     |
| 10.  | Interest due on borrowed money                        | 366          | 0           |
| 11.  | Amounts withheld for the account of others            | 4,665        | 5,880       |
| 12.  | Taxes payable: Real Estate                            | 1,902        | 1,748       |
|      | Federal Income  | 0            | 0           |
|      | Premium   | 3,099        | 188         |
|      | Other   | 0            | 0           |
| 13.  | Other unpaid expenses                                 | 5,295        | 5,325       |
| 14.  | Premiums collected for other companies - not remitted | 11,704       | 10,688      |
| 15.  | Premiums received in advance                          | 47,943       | 35,759      |
| *16. | Unearned premium reserve                              | 634,108      | 516,031     |
| 17.  | Service Fees and Employee Benefits Payable            |              |             |
| 18.  | Miscellaneous Liabilities                             |              |             |
| 19.  | Total liabilities                                     | \$1,228,355  | \$986,867   |
| 20.  | Surplus   | \$2,452,275  | \$2,989,350 |
| 21.  | Total liabilities and surplus                         | \$3,680,630  | \$3,976,217 |

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

\* Method of calculation: Actual; Daily Pro-Rata

## HISTORICAL INFORMATION

|  | 2022        | 2021        | 2020        | 2019        | 2018        |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Gross Premium</b>                   |             |             |             |             |             |
| Fire                                   | 1,011,266   | 835,315     | 824,429     | 849,559     | 856,349     |
| Windstorm                              | 882,007     | 747,957     | 740,123     | 775,637     | 780,732     |
| Other                                  | 0           | 0           | 0           | 0           | 0           |
| Total Direct Premiums                  | 1,893,273   | 1,583,272   | 1,564,552   | 1,625,196   | 1,637,081   |
| <b>Net Premiums Written</b>            |             |             |             |             |             |
| Fire                                   | 1,011,266   | 835,315     | 824,429     | 849,559     | 856,021     |
| Windstorm                              | 882,007     | 747,957     | 740,123     | 775,637     | 780,404     |
| Other                                  | 0           | 0           | 0           | 0           | 0           |
| Total Direct Premiums                  | 1,893,273   | 1,583,272   | 1,564,552   | 1,625,196   | 1,636,425   |
| Total Net of Reinsurance               | 1,346,889   | 1,083,852   | 1,049,842   | 1,108,675   | 1,102,212   |
| <b>Gross Losses Paid</b>               |             |             |             |             |             |
| Fire                                   | 354,168     | 294,468     | 365,245     | 281,542     | 458,695     |
| Windstorm                              | 2,920,072   | 1,267,467   | 73,524      | 228,726     | 719,939     |
| Other                                  | 0           | 0           | 0           | 0           | 0           |
| Total                                  | 3,274,240   | 1,561,935   | 438,769     | 510,268     | 1,178,634   |
| <b>Net Losses Paid</b>                 |             |             |             |             |             |
| Fire                                   | 354,168     | 294,468     | 365,245     | 281,542     | 458,695     |
| Windstorm                              | 2,920,072   | 1,267,467   | 73,524      | 228,726     | 719,939     |
| Other                                  | 0           | 0           | 0           | 0           | 0           |
| Total                                  | 3,274,240   | 1,561,935   | 438,769     | 510,268     | 1,178,634   |
| Total Net of Reinsurance               | 805,006     | 1,094,687   | 317,162     | 507,517     | 965,042     |
| <b>Loss Percentage (Direct)</b>        |             |             |             |             |             |
| Fire Losses/Fire Prem                  | 35.02%      | 35.25%      | 44.30%      | 33.14%      | 53.56%      |
| Windstorm Losses/Windstorm Prem        | 331.07%     | 169.46%     | 9.93%       | 29.49%      | 92.21%      |
| Other Losses/"Other Premiums           | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| Total Losses/Total Prem                | 172.94%     | 98.65%      | 28.04%      | 31.40%      | 72.00%      |
| <b>Loss Percentage (Net)</b>           |             |             |             |             |             |
| Fire Losses/Fire Prem                  | 35.02%      | 35.25%      | 44.30%      | 33.14%      | 53.58%      |
| Windstorm Losses/Windstorm Prem        | 331.07%     | 169.46%     | 9.93%       | 29.49%      | 92.25%      |
| Other Losses/"Other Premiums           | 0.00%       | 0.00%       | 0.00%       | 0.00%       | 0.00%       |
| Total Losses/Total Prem                | 172.94%     | 98.65%      | 28.04%      | 31.40%      | 72.02%      |
| Net Losses/Net Premiums                | 59.77%      | 101.00%     | 30.21%      | 45.78%      | 87.56%      |
| <b>Balance Sheet Items</b>             |             |             |             |             |             |
| Total Admitted Assets                  | 3,680,630   | 3,976,217   | 3,901,538   | 3,650,663   | 3,606,143   |
| Liabilities                            | 1,228,355   | 986,867     | 692,201     | 716,035     | 905,213     |
| Surplus                                | 2,452,275   | 2,989,350   | 3,209,337   | 2,934,628   | 2,700,930   |
| Bonds                                  | 1,531,102   | 1,646,056   | 1,729,459   | 1,822,192   | 1,912,567   |
| Stocks                                 | 1,991,458   | 2,011,828   | 1,854,350   | 1,729,587   | 1,551,146   |
| Real Estate                            | 50,871      | 41,193      | 33,561      | 38,105      | 42,648      |
| Unpaid Premium (line 6.1)              | 0           | 0           | 0           | 0           | 0           |
| Unpaid Premium (line 6.2)              | 647         | 1,412       | 988         | 302         | 3,029       |
| Unearned Premium                       | 634,108     | 516,031     | 504,386     | 522,100     | 525,932     |
| <b>Balance Sheet Percentages</b>       |             |             |             |             |             |
| Bonds/Admitted Assets                  | 41.60%      | 41.40%      | 44.33%      | 49.91%      | 53.04%      |
| Stocks/Admitted Assets                 | 54.11%      | 50.60%      | 47.53%      | 47.38%      | 43.01%      |
| Real Estate/Admitted Assets            | 1.38%       | 1.04%       | 0.86%       | 1.04%       | 1.18%       |
| Unpaid Prem (line 6.2)/Admitted Assets | 0.02%       | 0.04%       | 0.03%       | 0.01%       | 0.08%       |
| <b>Income/Disbursement Items</b>       |             |             |             |             |             |
| Total Income                           | 2,194,999   | 1,938,100   | 1,372,890   | 1,433,915   | 1,701,228   |
| Total Disbursements                    | 2,200,153   | 2,186,564   | 1,157,603   | 1,504,683   | 1,845,970   |
| Operating Expense                      | 779,527     | 780,855     | 646,497     | 619,377     | 654,517     |
| Commissions                            | 301,399     | 288,513     | 248,604     | 226,584     | 255,043     |
| Investment Income                      | 95,817      | 165,278     | 147,004     | 143,917     | 127,463     |
| Salaries (lines 14-17)                 | 214,178     | 219,975     | 201,782     | 215,128     | 218,358     |
| <b>Other</b>                           |             |             |             |             |             |
| Gross Risk in Force                    | 448,765,137 | 387,096,812 | 377,609,935 | 371,528,257 | 362,331,092 |
| Number of Policies                     | 1,179       | 1,110       | 1,238       | 1,306       | 1,349       |
| Operating Expense/Net Premium          | 57.88%      | 72.04%      | 61.58%      | 55.87%      | 59.38%      |