

December 31, 2022 Annual Statement

Farmers Mutual Insurance Association

Duane McGregor

915 BROADWAY, PO BOX 333

EMMETSBURG IA 50536

Iowa Company Number: 0117

DECEMBER 31, 2022

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4					\$	8,893,299
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	\$ 1,406,158	\$	\$ 79,243	\$ 1,326,915		
3. Windstorm	1,299,796		79,244	1,220,552		
4. Other	41,982			41,982		
5. Totals	\$ 2,747,936	\$	\$ 158,487	\$ 2,589,449		
6. All reinsurance premiums ceded other than Per Risk				379,574		
7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)					\$	2,209,875
8. Interest received on bonds				143,168		
9. Increase in adjustment of bonds \$		1,103	, less			
\$	31,236	decrease in adjustment of bonds		(30,133)		
10. Dividends received				114,035		
11. Interest received on bank deposits (schedule C-2, column 7)				2,857		
12. Other Interest						
13. Profit on sale of investment				29,123		
14. Rents received*				1,200		
15. Total income from investments (items 8 through 14)					\$	260,250
16. Borrowed money						
17. Premiums collected for other companies (less refunds)						
18. Increase in ledger liabilities						
19. "Overwrite Fees" received				17,694		
20. Federal income tax refund						
21. Miscellaneous income						
22.						
23. Total (items 16 through 22)					\$	17,694
24. Total income (items 7, 15, and 23)					\$	2,487,819
25. Total assets and income (item 1 plus item 25)					\$	11,381,118

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

DECEMBER 31, 2022

1. Amount brought forward from line 29 page 2					\$	11,381,118
DISBURSEMENTS - DECREASES IN LEDGER ASSETS						
	(1)	(2)	(3)	(4)		
	Direct Losses	Reinsurance Assumed	Per Risk Reinsurance Losses Ceded	Net Losses Paid (1 + 2 - 3 = 4)		
2. Fire.	\$ 407,695		\$ 37,050	\$ 370,645		
3. Windstorm	920,196			920,196		
4. Other (Sch G)	130,752			130,752		
5. Totals	\$ 1,458,643	\$	\$ 37,050	\$ 1,421,593		
6. All reinsurance losses ceded other than Per Risk Losses						
7. Net losses (line 6, col.4 - line 7 = line 8)					\$	1,421,593
OPERATING EXPENSE						
8. Loss Adjustment Expenses				100,472		
9. Commissions				390,296		
10. Advertising				3,344		
11. Boards, bureaus and associations				8,548		
12. Inspection and loss prevention						
13. Salaries of officers.				72,500		
14. Expenses of officers						
15. Salaries of office employees				80,833		
16. Employee welfare				47,093		
17. Insurance				21,782		
18. Directors' compensation				16,298		
19. Directors' expenses						
20. Rent and other items				5,018		
21. Equipment				36,787		
22. Printing, stationery and supplies				1,767		
23. Postage and telephone				10,713		
24. Legal and auditing				20,550		
25. State insurance taxes		March 1	1,241			
	June 1	13,109	August 15	13,109		27,459
26. Insurance Division licenses and fees						252
27. Payroll taxes						20,743
28. All other taxes (excluding Federal income)						
29. Real estate expenses						2,096
30. Real estate taxes						3,454
31. Interest on borrowed money						
32. Miscellaneous						9,941
Technology Expense						28,996
Travel, Meals & Entertainment						1,938
Education						5,277
Investment Expense						23,499
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33. Automobile Expense						
34. Total operating expense (items 9 through 34)					\$	939,656
NON-OPERATING EXPENSE						
35. Borrowed money repaid						
36. Depreciation on real estate						4,418
37. Loss on sale of investments						3,799
38. Federal income tax Prior year	56,880					168,200
			111,320			
39. Premium collections transmitted to other companies						
40. Commissions paid agents for other companies						
41. Decrease in ledger liabilities						13,562
42. .						
43. Total non-operating expense (items 36 through 43)					\$	189,979
44. Total disbursements (items 8, 35 and 44)					\$	2,551,228
45. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4					\$	8,829,890

ASSETS - DECEMBER 31, 2022

	(1)	(2)	(3)	(4)	(5)
	Ledger Assets	Non-ledger	Non-admitted Assets 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)	\$ 4,894,669			4,894,669	\$ 4,843,825
2. Stocks (schedule A-part 2).	2,280,207	323,255		2,603,462	\$ 3,473,626
3. Bank Balances					
3.1 Check (C-1)	191,675			191,675	\$ 168,402
3.2 Interest Bearing (C-2)	273,816			273,816	\$ 394,227
4. Real estate (schedule F)	127,918			127,918	\$ 132,336
5. Cash in office	50			50	\$ 50
6. Unpaid Premiums					
6.1 Due before November 1				xxxxxxx	
6.2 Due after November 1	414,912		409,547	5,365	\$ 3,925
7. Reinsurance receivable on paid losses					
8. Accrued interest	xxxxxxx	39,856		39,856	\$ 37,758
9. Accrued rent due	xxxxxxx				
10. Equipment and furniture	11		11	xxxxxxx	xxxxxxx
11. Automobiles	41,632		41,632	xxxxxxx	xxxxxxx
12. Cash surrender value of life ins.					
13. Federal income tax recoverable		13,000	13,000		
14. Prepaid Reinsurance	600,000			600,000	\$ 500,000
15. Employee Benefit Receivable					\$ 116
16. Electronic Data Process Equip	5,000			5,000	\$ 5,000
17. Totals	\$ 8,829,890	\$ 376,111	\$ 464,190	\$ 8,741,811	\$ 9,559,265

LIABILITIES - DECEMBER 31, 2022

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 161,951		
2. Unpaid claims (incurred but not reported)	8,000		
3. Total unpaid losses	169,951		
4. Less: reinsurance recoverable on unpaid losses			
5. Net unpaid claims		\$ 169,951	\$ 736,714
6. Unpaid adjusting expenses		5,000	5,000
7. Ceded reinsurance balances payable		43,413	38,061
8. Unpaid salaries and commissions		140,204	140,302
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others		3,416	3,271
12. Taxes payable: Real Estate		1,750	1,730
Federal Income			68,000
Premium		1,258	1,241
Other		2,169	1,841
13. Other unpaid expenses		7,029	8,076
14. Premiums collected for other companies - not remitted		7,117	20,961
15. Premiums received in advance		85,378	78,790
*16. Unearned premium reserve		1,009,114	933,513
17. Service Fees and Employee Benefits Payable			
18. Miscellaneous Liabilities			
19. Total liabilities		\$ 1,475,799	\$ 2,037,500
20. Surplus		\$ 7,266,012	\$ 7,521,765
21. Total liabilities and surplus		\$ 8,741,811	\$ 9,559,265

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

*Method of calculation: Actual, daily pro-rata

HISTORICAL INFORMATION

	2022	2021	2020	2019	2018
Gross Premium					
Fire	1,406,158	1,347,496	1,285,691	1,253,752	1,179,828
Windstorm	1,299,796	1,237,674	1,212,733	1,179,182	1,111,393
Other	41,982	37,317			
Total Direct Premiums	2,747,936	2,622,487	2,498,424	2,432,934	2,291,221
Net Premiums Written					
Fire	1,326,915	1,278,393	1,284,729	1,252,348	1,178,952
Windstorm	1,220,552	1,168,572	1,211,771	1,177,777	1,110,516
Other	41,982	37,317			
Total Direct Premiums	2,589,449	2,484,282	2,496,500	2,430,125	2,289,468
Total Net of Reinsurance	2,209,875	2,174,363	2,063,361	2,013,059	1,886,991
Gross Losses Paid					
Fire	407,695	336,020	784,062	394,855	358,972
Windstorm	920,196	82,345	625,772	1,398,693	4,364,220
Other	130,752	91,110			
Total	1,458,643	509,475	1,409,834	1,793,548	4,723,192
Net Losses Paid					
Fire	370,645	93,732	784,062	394,855	358,972
Windstorm	920,196	82,345	625,772	1,398,693	4,364,220
Other	130,752	91,110			
Total	1,421,593	267,187	1,409,834	1,793,548	4,723,192
Total Net of Reinsurance	1,421,593	253,441	1,199,156	417,956	1,456,695
Loss Percentage (Direct)					
Fire Losses/Fire Prem	29.0%	24.9%	61.0%	31.5%	30.4%
Windstorm Losses/Windstorm Prem	70.8%	6.7%	51.6%	118.6%	392.7%
Other Losses/Other Premiums	311.4%	244.2%	0.0%	0.0%	0.0%
Total Losses/Total Prem	53.1%	19.4%	56.4%	73.7%	206.1%
Loss Percentage (Net)					
Fire Losses/Fire Prem	27.9%	7.3%	61.0%	31.5%	30.4%
Windstorm Losses/Windstorm Prem	75.4%	7.0%	51.6%	118.8%	393.0%
Other Losses/Other Premiums	311.4%	244.2%	0.0%	0.0%	0.0%
Total Losses/Total Prem	54.9%	10.8%	56.5%	73.8%	206.3%
Net Losses/Net Premiums	64.3%	11.7%	58.1%	20.8%	77.2%
Balance Sheet Items					
Total Admitted Assets	8,741,811	9,559,265	8,136,312	7,524,111	6,277,573
Liabilities	1,475,799	2,037,500	1,339,111	1,439,939	1,086,487
Surplus	7,266,012	7,521,765	6,797,201	6,084,172	5,191,086
Bonds	4,894,669	4,843,825	4,072,761	3,726,985	3,193,282
Stocks	2,603,462	3,473,626	2,965,080	2,695,719	2,258,644
Real Estate	127,918	132,336	136,753	141,170	145,588
Unpaid Premium (line 8.1)	-	-	-	66	274
Unpaid Premium (line 8.2)	5,365	3,925	4,843	3,357	6,424
Unearned Premium	1,009,114	933,513	870,928	840,086	790,485
Balance Sheet Percentages					
Bonds/Admitted Assets	56%	51%	50%	50%	51%
Stocks/Admitted Assets	30%	36%	36%	36%	36%
Real Estate/Admitted Assets	1%	1%	2%	2%	2%
Unpaid Prem (line 8.2)/Admitted Assets	0%	0%	0%	0%	0%
Income/Disbursement Items					
Total Income	2,487,819	2,614,923	2,283,410	2,400,742	2,326,641
Total Disbursements	2,551,228	1,215,814	2,208,217	1,368,221	2,363,394
Operating Expense	939,656	909,743	879,581	838,811	810,774
Commissions	390,296	373,874	357,868	307,501	330,862
Investment Income	260,250	416,846	202,089	373,525	305,460
Salaries (lines 14-17)	200,426	202,018	217,233	186,068	196,603
Other					
Gross Risk in Force	738,992,270	683,978,876	653,685,717	638,961,928	599,396,849
Number of Policies	2,099	2,088	2,070	2,064	2,010
Operating Expense/Net Premium	43%	42%	43%	42%	43%