

December 31, 2019 - Annual Statement

Iowa Company Number: 0067

Farmers Mutual Insurance Association

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DECEMBER 31, 2019

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4				\$ 4,399,374
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	\$ 620,154	\$	\$	\$ 620,154
3. Windstorm	462,071			462,071
4. Crop hail				
5. Homeowners assumed	xxxxxxx			
6. Totals	\$ 1,082,225	\$	\$	\$ 1,082,225
7. Aggregate excess loss reinsurance paid			243,539	
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)				\$ 838,686
9. Net interest received on bonds			85,123	
10. Increase in adjustment of bonds \$ <u>4,413</u> , less \$ <u>6,017</u> decrease in adjustment of bonds			(1,604)	
11. Dividends received			75,231	
12. Interest received on bank deposits (schedule C-2, column 7)			10,640	
13. Interest received on mortgage loans (schedule D, column 6)				
14. Other Interest				
15. Profit on sale of investment			79,330	
16. Rents received*			6,400	
17. Total income from investments (items 9 through 16)				\$ 255,120
18. Borrowed money				
19. Premiums collected for other companies (less refunds)				
20. Checks charged off				
21. Increase in ledger liabilities (12/31/18 = \$,5908) (12/31/19 = \$8538)			2,630	
22. Underwriting expense reimbursement				
23. Federal income tax refund				
24. Miscellaneous income			9,658	
25.				
26.				
27. Total (items 18 through 26)				\$ 12,288
28. Total income (items 8, 17 and 27)				\$ 1,106,094
29. Total assets and income (item 1 plus item 28)				\$ 5,505,468

*Includes \$ 2400 For association's occupancy of its own buildings

DECEMBER 31, 2019

1. Amount brought forward from line 29 page 2					\$ 5,505,468
DISBURSEMENTS - DECREASES IN LEDGER ASSETS					
	(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsurance Recovered	(4) Net Losses Paid (1 + 2 - 3 = 4)	
2. Fire	\$ 311,265			\$ 311,265	
3. Windstorm	80,360			80,360	
4. Crop Hail					
5. Homeowners Assumed	xxxxxxx				
6. Totals	\$ 391,625			\$ 391,625	
7. Received from aggregate excess loss reinsurance					
8. Total of all net losses (line 6, col.4 - line 7 = line 8)					\$ 391,625
OPERATING EXPENSE					
9. Loss Adjustment Expenses				282	
10. Commissions				105,640	
11. Advertising				2,825	
12. Boards, bureaus and associations				8,970	
13. Inspection and loss prevention					
14. Salaries of officers				59,404	
15. Expenses of officers					
16. Salaries of office employees				47,580	
17. Employee welfare				10,001	
18. Insurance				22,213	
19. Directors' compensation					
20. Directors' expenses				18,255	
21. Rent and rent items				2,400	
22. Equipment					
23. Printing, stationery and supplies				20,240	
24. Postage and telephone				3,888	
25. Legal and auditing				9,450	
26. State insurance taxes March 1		5,742			
June 1	5,435		5,435		
August 15					
Total				16,612	
27. Insurance Division licenses and fees				171	
28. Payroll taxes				8,406	
29. All other taxes (excluding Federal income)					
30. Real estate expenses				10,358	
31. Real estate taxes				4,246	
32. Interest on borrowed money					
33. Miscellaneous				6,497	
a Donations/Contributions				8,940	
b Travel and Travel Items				1,478	
c Education/Conventions				2,690	
d Equipment Expense				5,671	
34.					
35. Total operating expense (items 9 through 34)					\$ 376,217
NON-OPERATING EXPENSE					
36. Borrowed money repaid					
37. Depreciation on real estate				160	
38. Loss on sale of investments				860	
39. Federal income tax Prior year			22,256	22,256	
Current year					
40. Premium collections transmitted to other companies					
41. Commissions paid agents for other companies					
42. Decrease in ledger liabilities					
43.					
44. Total non-operating expense (items 36 through 43)					\$ 23,276
45. Total disbursements (items 8, 35 and 44)					\$ 791,118
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4					\$ 4,714,350

ASSETS - DECEMBER 31, 2019

	(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)	\$ 2,633,344	\$ 58,690		\$ 2,692,034	\$ 2,613,388
2. Stocks (schedule A-part 2)	1,489,832	852,123		2,341,955	1,906,105
3. Bank Balances					
3.1 Subject to check (C-1)	199,823			199,823	89,471
3.2 On interest (C-2)	347,236			347,236	290,439
4. Mortgage loans (schedule D)					
4.1 First liens					
4.2 Other than first					
5. Collateral loans (schedule E)					
6. Real estate (schedule F)	44,065			44,065	44,225
7. Cash in office	50			50	50
8. Unpaid Premiums					
8.1 Due before November 1		1,465	1,465	xxxxxxx	xxxxxxx
8.2 Due after November 1		24,210		24,210	21,236
9. Bills receivable				xxxxxxx	xxxxxxx
10. Agents' balances					
11. Reinsurance receivable on paid losses					
12. Accrued interest	xxxxxxx	20,775		20,775	20,560
13. Accrued rent due	xxxxxxx				
14. Equipment and furniture		98	98	xxxxxxx	xxxxxxx
15. Supplies				xxxxxxx	xxxxxxx
16. Automobiles				xxxxxxx	xxxxxxx
17. Cash surrender value of life ins.					
18. Federal income tax recoverable					
19.					
20.					
21.					
22. Totals	\$ 4,714,350	\$ 957,361	\$ 1,563	\$ 5,670,148	\$ 4,985,474

LIABILITIES - DECEMBER 31, 2019

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 56,500		
2. Unpaid claims (incurred but not reported)			
3. Total unpaid losses	56,500		
4. Less: reinsurance recoverable on unpaid losses			
5. Net unpaid claims		\$ 56,500	\$ 106,696
6. Unpaid adjusting expenses			
7. Ceded reinsurance balances payable		20,324	19,974
8. Unpaid salaries and commissions			
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others		5,051	3,184
12. Taxes payable:			
Real Estate		4,246	4,130
Federal Income		35,000	
Premium		(48)	5,742
Other		3,487	2,724
13. Other unpaid expenses		2,500	2,500
14. Premiums collected for other companies - not remitted		7,329	6,922
15. Premiums received in advance		30,691	25,293
*16. Unearned premium reserve		428,919	428,966
17.			
18.			
19. Total liabilities		\$ 593,999	\$ 606,130
20. Surplus		\$ 5,076,149	\$ 4,379,343
21. Total liabilities and surplus		\$ 5,670,148	\$ 4,985,474

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

*Method of calculation:

Direct Fire Premiums (Page 2, Line 2, Column 1).....	620,154
Direct Wind Premiums (Page 2, Line 3, Column 1).....	462,071
Less: Non Refundable Fire & Wind Policy Fees Included in Premiums.....	(7,503)
Add: Reinsurance Homeowners	
Premiums Assumed (Page 2, Line 5, Column 2).....	-
Add: Unpaid Premiums (Page 4, Line 8.2, Column 4).....	24,210
Less: Premiums Received in Advance (Page 5, Line 15).....	(30,691)
Subtotal:	1,068,241
Less: Unpaid Premiums (Prior Year) Page 4, Line 8.2, Column 4	(21,236)
Add: Premiums Received in Advance (Prior Year) Page 5, Line 15	25,293
	1,072,298
Rate	40%
Unearned Premium Rese	428,919

HISTORICAL INFORMATION

	2019	2018	2017	2016	2015
Gross Premium					
Fire	620,154	625,625	596,787	557,695	545,287
Windstorm	462,071	461,296	428,583	382,391	387,278
Crop Hail	-	-	-	-	-
Total	1,082,225	1,086,921	1,025,370	940,086	932,565
Net Premiums Written					
Fire	620,154	625,625	596,787	557,640	543,915
Windstorm	462,071	461,296	428,583	382,391	387,278
Crop Hail	-	-	-	-	-
Total	1,082,225	1,086,921	1,025,370	940,031	931,193
Total Net of Agg.	838,686	848,449	795,062	718,049	714,545
Gross Losses Paid					
Fire	311,265	302,428	170,459	290,923	455,481
Windstorm	80,360	164,887	62,531	151,084	58,797
Crop Hail	-	-	-	-	-
Total	391,625	467,315	232,990	442,007	514,278
Net Losses Paid					
Fire	311,265	302,428	170,459	290,923	455,481
Windstorm	80,360	164,887	62,531	151,084	58,797
Crop Hail	-	-	-	-	-
Total	391,625	467,315	232,990	442,007	514,278
Total Net of Agg	391,625	467,315	161,080	416,638	514,278
Loss Percentage (Direct)					
Fire Losses/Fire Prem.	50%	48%	29%	52%	84%
Windstorm Losses/Windstorm Prem	17%	36%	15%	40%	15%
Crop Hail Losses/Crop Hail Prem.	0%	0%	0%	0%	0%
Total Losses/Total Prem.	36%	43%	23%	47%	55%
Loss Percentage (Net)					
Fire Losses/Fire Prem.	50%	48%	29%	52%	84%
Windstorm Losses/Windstorm Prem	17%	36%	15%	40%	15%
Crop Hail Losses/Crop Hail Prem.	0%	0%	0%	0%	0%
Total Losses/Total Prem.	36%	43%	23%	47%	55%
Tot Net Agg Losses/Tot Net Agg Prem	47%	55%	20%	58%	72%
Balance Sheet Items					
Total Admitted Assets	5,670,148	4,985,474	5,063,576	4,244,046	3,955,524
Liabilities	593,999	606,130	624,996	538,700	499,776
Surplus	5,076,149	4,379,343	4,438,580	3,705,346	3,455,749
Bonds	2,692,034	2,613,388	2,567,748	1,995,431	1,893,927
Stocks	2,341,955	1,906,105	2,003,616	1,687,043	1,611,959
Real Estate	44,065	44,225	45,186	46,947	48,800
Unpaid Premium (line 8.1)	1,465	401	-	523	790
Unpaid Premium (line 8.2)	24,210	21,236	20,838	26,076	21,169
Agents' Balances	-	-	-	11,253	123
Unearned Premium	428,919	428,966	404,558	380,344	369,764
Balance Sheet Percentages					
Bonds/Admitted Assets	47%	52%	51%	47%	49%
Stocks/Admitted Assets	41%	38%	40%	40%	40%
Real Estate/Admitted Assets	0.78%	0.89%	0.89%	1.11%	1.27%
Unpaid Prem (line 8.2)/Admitted Assets ..	0.43%	0.43%	0.41%	0.61%	0.55%
Agents' Balances/Admitted Assets	0%	0%	0%	0%	0%
Income/Disbursement Items					
Total Income	1,106,094	1,064,545	1,076,752	898,375	901,850
Total Disbursements	791,118	1,003,495	564,223	767,201	847,749
Operating Expense	376,217	419,833	384,854	336,501	329,151
Commissions	105,640	117,909	109,583	93,184	92,384
Investment Income	255,120	214,780	265,607	178,632	179,686
Salaries (lines 14-17)	116,985	116,393	112,853	109,240	109,220
Other					
Gross Risk in Force	327,222,888	311,435,657	289,283,159	272,272,898	262,233,435
Number of Policies	714	714	681	667	662
Operating Expense/Net Premium	45%	49%	48%	47%	46%