

December 31, 2023 - Annual Statement

Iowa Company Number: 0117

Farmers Mutual Insurance Association

Duane McGregor
915 BROADWAY, PO BOX 333
EMMETSBURG IA 50536

DECEMBER 31, 2023

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4		\$ 8,829,890	
INCOME - INCREASES IN LEDGER ASSETS			
PREMIUMS			
(1) Direct Premiums	(2) Reinsurance Premiums Assumed	(3) Per Risk Reinsurance Premiums Ceded	(4) Net Premiums (1 + 2 - 3 = 4)
2. Fire	\$ 1,868,095	\$ 98,481	\$ 1,769,614
3. Windstorm	1,750,702	98,481	1,652,221
4. Other	46,777		46,777
5. Totals	\$ 3,665,574	\$ 196,962	\$ 3,468,612
6. All reinsurance premiums ceded other than Per Risk			494,278
7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)			\$ 2,974,334
8. Interest received on bonds			148,544
9. Increase in adjustment of bonds \$ <u>823</u> , less \$ <u>31,896</u> decrease in adjustment of bonds			(31,073)
10. Dividends received			85,824
11. Interest received on bank deposits (schedule C-2, column 7)			10,171
12. Other Interest			
13. Profit on sale of investment			190,505
14. Rents received*			2,400
15. Total income from investments (items 8 through 14)			\$ 406,371
16. Borrowed money			
17. Premiums collected for other companies (less refunds)			
18. Increase in ledger liabilities			13,403
19. "Overwrite Fees" received			20,515
20. Federal income tax refund			
21. Miscellaneous income			3,169
22.			
23. Total (items 16 through 22)			\$ 37,087
24. Total income (items 7, 15, and 23)			\$ 3,417,792
25. Total assets and income (item 1 plus item 25)			\$ 12,247,682

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

DECEMBER 31, 2023

1. Amount brought forward from line 29 page 2

\$ 12,247,682

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.	\$ 652,937		\$	\$ 652,937
3. Windstorm	2,588,429			2,588,429
4. Other (Sch G)				
5. Totals	\$ 3,241,366	\$	\$	\$ 3,241,366

6. All reinsurance losses ceded other than Per Risk Losses

1,068,944

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

\$ 2,172,422

OPERATING EXPENSE

8. Loss Adjustment Expenses				229,165
9. Commissions				509,433
10. Advertising				5,718
11. Boards, bureaus and associations				9,123
12. Inspection and loss prevention				
13. Salaries of officers.				74,700
14. Expenses of officers				
15. Salaries of office employees				85,600
16. Employee welfare				41,723
17. Insurance				25,330
18. Directors' compensation				16,000
19. Directors' expenses				1,259
20. Rent and other items				5,370
21. Equipment				35,594
22. Printing, stationery and supplies				982
23. Postage and telephone				17,638
24. Legal and auditing				22,266
25. State insurance taxes	March 1	1,258		
	June 1	13,738	August 15	13,738
				28,734
26. Insurance Division licenses and fees				764
27. Payroll taxes				20,125
28. All other taxes (excluding Federal income)				
29. Real estate expenses				2,205
30. Real estate taxes				3,820
31. Interest on borrowed money				
32. Miscellaneous				12,423
Technology Expense				31,802
Travel, Meals & Entertainment				1,750
Education				3,338
Investment Expense				22,796
33. Automobile Expense				
34. Total operating expense (items 9 through 34)				\$ 1,207,658

NON-OPERATING EXPENSE

35. Borrowed money repaid				
36. Depreciation on real estate				4,417
37. Loss on sale of investments				6,944
38. Federal income tax	Prior year		Current year	33,000
				33,000
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)				\$ 44,361
44. Total disbursements (items 8, 35 and 44)				\$ 3,424,441
45. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4				\$ 8,823,241

ASSETS - DECEMBER 31, 2023

	(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)	\$ 4,528,596			4,528,596	\$ 4,894,669
2. Stocks (schedule A-part 2).	2,471,987	552,395		3,024,382	\$ 2,603,462
3. Bank Balances					
3.1 Check (C-1)	265,946			265,946	\$ 191,675
3.2 Interest Bearing (C-2)	485,472			485,472	\$ 273,816
4. Real estate (schedule F)	123,501			123,501	\$ 127,918
5. Cash in office	4			4	\$ 50
6. Unpaid Premiums					
6.1 Due before November 1	(21)		(21)	xxxxxxx	
6.2 Due after November 1	554,433		543,871	10,562	\$ 5,365
7. Reinsurance receivable on paid losses		15,134		15,134	
8. Accrued interest	xxxxxxx	37,323		37,323	\$ 39,856
9. Accrued rent due	xxxxxxx				
10. Equipment and furniture	11		11	xxxxxxx	xxxxxxx
11. Automobiles	24,979		24,979	xxxxxxx	xxxxxxx
12. Cash surrender value of life ins.					
13. Federal income tax recoverable		76,400	76,400		
14. Prepaid Reinsurance	350,000			350,000	\$ 600,000
15. EDP Equip & Software	18,333			18,333	\$ 5,000
16. .					
17. Totals	\$ 8,823,241	\$ 681,252	\$ 645,240	\$ 8,859,253	\$ 8,741,811

LIABILITIES - DECEMBER 31, 2023

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 438,547		
2. Unpaid claims (incurred but not reported)	25,000		
3. Total unpaid losses	463,547		
4. Less: reinsurance recoverable on unpaid losses	384,713		
5. Net unpaid claims		\$ 78,834	\$ 169,951
6. Unpaid adjusting expenses		32,000	5,000
7. Ceded reinsurance balances payable		233,796	43,413
8. Unpaid salaries and commissions		113,988	140,204
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others		2,774	3,416
12. Taxes payable: Real Estate		2,000	1,750
Federal Income			
Premium		9,174	1,258
Other		1,975	2,169
13. Other unpaid expenses		7,487	7,029
14. Premiums collected for other companies - not remitted		(6,324)	7,117
15. Premiums received in advance		76,265	85,378
*16. Unearned premium reserve		1,320,603	1,009,114
17. Service Fees and Employee Benefits Payable			
18. Miscellaneous Liabilities			
19. Total liabilities		\$ 1,872,572	\$ 1,475,799
20. Surplus		\$ 6,986,681	\$ 7,266,012
21. Total liabilities and surplus		\$ 8,859,253	\$ 8,741,811

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

*Method of calculation: Actual, daily pro-rata

HISTORICAL INFORMATION

	2023	2022	2021	2020	2019
Gross Premium					
Fire	1,868,095	1,406,158	1,347,496	1,285,691	1,253,752
Windstorm	1,750,702	1,299,796	1,237,674	1,212,733	1,179,182
Other	46,777	41,982	37,317		
Total Direct Premiums	3,665,574	2,747,936	2,622,487	2,498,424	2,432,934
Net Premiums Written					
Fire	1,769,614	1,326,915	1,278,393	1,284,729	1,252,348
Windstorm	1,652,221	1,220,552	1,168,572	1,211,771	1,177,777
Other	46,777	41,982	37,317		
Total Direct Premiums	3,468,612	2,589,449	2,484,282	2,496,500	2,430,125
Total Net of Reinsurance	2,974,334	2,209,875	2,174,363	2,063,361	2,013,059
Gross Losses Paid					
Fire	652,937	407,695	336,020	784,062	394,855
Windstorm	2,588,429	920,196	82,345	625,772	1,398,693
Other	-	130,752	91,110		
Total	3,241,366	1,458,643	509,475	1,409,834	1,793,548
Net Losses Paid					
Fire	652,937	370,645	93,732	784,062	394,855
Windstorm	2,588,429	920,196	82,345	625,772	1,398,693
Other	-	130,752	91,110		
Total	3,241,366	1,421,593	267,187	1,409,834	1,793,548
Total Net of Reinsurance	2,172,422	1,421,593	253,441	1,199,156	417,956
Loss Percentage (Direct)					
Fire Losses/Fire Prem	35.0%	29.0%	24.9%	61.0%	31.5%
Windstorm Losses/Windstorm Prem	147.9%	70.8%	6.7%	51.6%	118.6%
Other Losses"/Other Premiums	0.0%	311.4%	244.2%	0.0%	0.0%
Total Losses/Total Prem	88.4%	53.1%	19.4%	56.4%	73.7%
Loss Percentage (Net)					
Fire Losses/Fire Prem	36.9%	27.9%	7.3%	61.0%	31.5%
Windstorm Losses/Windstorm Prem	156.7%	75.4%	7.0%	51.6%	118.8%
Other Losses"/Other Premiums	0.0%	311.4%	244.2%	0.0%	0.0%
Total Losses/Total Prem	93.4%	54.9%	10.8%	56.5%	73.8%
Net Losses/Net Premiums	73.0%	64.3%	11.7%	58.1%	20.8%
Balance Sheet Items					
Total Admitted Assets	8,859,253	8,741,811	9,559,265	8,136,312	7,524,111
Liabilities	1,872,572	1,475,799	2,037,500	1,339,111	1,439,939
Surplus	6,986,681	7,266,012	7,521,765	6,797,201	6,084,172
Bonds	4,528,596	4,894,669	4,843,825	4,072,761	3,726,985
Stocks	3,024,382	2,603,462	3,473,626	2,965,080	2,695,719
Real Estate	123,501	127,918	132,336	136,753	141,170
Unpaid Premium (line 8.1)	(21)	-	-	-	66
Unpaid Premium (line 8.2)	10,562	5,365	3,925	4,843	3,357
Unearned Premium	1,320,603	1,009,114	933,513	870,928	840,086
Balance Sheet Percentages					
Bonds/Admitted Assets	51%	56%	51%	50%	50%
Stocks/Admitted Assets	34%	30%	36%	36%	36%
Real Estate/Admitted Assets	1%	1%	1%	2%	2%
Unpaid Prem (line 8.2)/Admitted Assets	0%	0%	0%	0%	0%
Income/Disbursement Items					
Total Income	3,417,792	2,487,819	2,614,923	2,283,410	2,400,742
Total Disbursements	3,424,441	2,551,228	1,215,814	2,208,217	1,368,221
Operating Expense	1,207,658	939,656	909,743	879,581	838,811
Commissions	509,433	390,296	373,874	357,868	307,501
Investment Income	406,371	260,250	416,846	202,089	373,525
Salaries (lines 14-17)	202,023	200,426	202,018	217,233	186,068
Other					
Gross Risk in Force	847,632,147	738,992,270	683,978,876	653,685,717	638,961,928
Number of Policies	2,128	2,099	2,088	2,070	2,064
Operating Expense/Net Premium	41%	43%	42%	43%	42%