

**December 31, 2023 - Annual Statement**

*Iowa Company Number:* 0036

**Clay Mutual Insurance Association**

Cindy Thompson  
515 GRAND, PO BOX 467  
SPENCER IA 51301

**DECEMBER 31, 2023**

|   |                    |                                    |   |                                    |              |
|---|--------------------|------------------------------------|---|------------------------------------|--------------|
| 1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 ..... |                    |                                    |   |                                    | \$ 5,830,030 |
| <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   | \$ 1,455,444       |                                    | \$ 122,341                                | \$ 1,333,103                       |              |
| 3. Windstorm  | 1,336,100          |                                    | 122,340                                   | 1,213,760                          |              |
| 4. Other  |                    |                                    |   |                                    |              |
| 5. Totals   | \$ 2,791,544       |                                    | \$ 244,681                                | \$ 2,546,863                       |              |
| 6. All reinsurance premiums ceded other than Per Risk                         |                    |                                    |   | 620,825                            |              |
| 7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)             |                    |                                    |   |                                    | \$ 1,926,038 |
| 8. Interest received on bonds   |                    |                                    |   | 126,133                            |              |
| 9. Increase in adjustment of bonds \$   |                    | 1,775                              |   |                                    |              |
| \$ 29,418 decrease in adjustment of bonds                                     |                    |                                    |   | (27,643)                           |              |
| 10. Dividends received  |                    |                                    |   | 70,513                             |              |
| 11. Interest received on bank deposits (schedule C-2, column 7)               |                    |                                    |   | 6,840                              |              |
| 12. Other Interest  |                    |                                    |   |                                    |              |
| 13. Profit on sale of investment  |                    |                                    |   | 7,306                              |              |
| 14. Rents received*   |                    |                                    |   | 15,500                             |              |
| 15. Total income from investments (items 8 through 14)                        |                    |                                    |   |                                    | \$ 198,649   |
| 16. Borrowed money  |                    |                                    |   |                                    |              |
| 17. Premiums collected for other companies (less refunds)                     |                    |                                    |   | 240,316                            |              |
| 18. Increase in ledger liabilities  |                    |                                    |   |                                    |              |
| 19. "Overwrite Fees" received   |                    |                                    |   |                                    |              |
| 20. Federal income tax refund   |                    |                                    |   |                                    |              |
| 21. Miscellaneous income  |                    |                                    |   |                                    |              |
| 22.   |                    |                                    |   |                                    |              |
| 23. Total (items 16 through 22)   |                    |                                    |   |                                    | \$ 240,316   |
| 24. Total income (items 7, 15, and 23)  |                    |                                    |   |                                    | \$ 2,365,003 |
| 25. Total assets and income (item 1 plus item 25)                             |                    |                                    |   |                                    | \$ 8,195,033 |

\*Includes \$ 8,000 For association's occupancy of its own buildings

**DECEMBER 31, 2023**

1. Amount brought forward from line 29 page 2

\$ 8,195,033

**DISBURSEMENTS - DECREASES IN LEDGER ASSETS**

|                  | (1)<br>Direct<br>Losses | (2)<br>Reinsurance<br>Assumed | (3)<br>Per Risk<br>Reinsurance<br>Losses Ceded | (4)<br>Net Losses Paid<br>(1 + 2 - 3 = 4) |
|------------------|-------------------------|-------------------------------|--|---|
| 2. Fire.         | \$ 657,912              |                               | \$ 17,868                                      | \$ 640,044                                |
| 3. Windstorm     | 281,674                 |                               |  | 281,674                                   |
| 4. Other (Sch G) |                         |                               |  |   |
| 5. Totals        | \$ 939,586              | \$                            | \$ 17,868                                      | \$ 921,718                                |

6. All reinsurance losses ceded other than Per Risk Losses

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

\$ 921,718

**OPERATING EXPENSE**

|  |         |        |           |            |
|--|---------|--------|-----------|------------|
| 8. Loss Adjustment Expenses                      |         |        |           | 65,954     |
| 9. Commissions                                   |         |        |           | 214,696    |
| 10. Advertising                                  |         |        |           | 5,439      |
| 11. Boards, bureaus and associations             |         |        |           | 12,780     |
| 12. Inspection and loss prevention               |         |        |           | 1,659      |
| 13. Salaries of officers.                        |         |        |           | 82,836     |
| 14. Expenses of officers                         |         |        |           |            |
| 15. Salaries of office employees                 |         |        |           | 54,274     |
| 16. Employee welfare                             |         |        |           | 45,917     |
| 17. Insurance                                    |         |        |           | 18,799     |
| 18. Directors' compensation                      |         |        |           | 6,300      |
| 19. Directors' expenses                          |         |        |           | 2,081      |
| 20. Rent and other items                         |         |        |           | 8,000      |
| 21. Equipment                                    |         |        |           | 33,025     |
| 22. Printing, stationery and supplies            |         |        |           | 3,155      |
| 23. Postage and telephone                        |         |        |           | 28,901     |
| 24. Legal and auditing                           |         |        |           | 17,100     |
| 25. State insurance taxes                        | March 1 | 496    |           |            |
|  | June 1  | 12,935 | August 15 | 12,935     |
|  |         |        |           | 26,366     |
| 26. Insurance Division licenses and fees         |         |        |           | 340        |
| 27. Payroll taxes                                |         |        |           | 11,813     |
| 28. All other taxes (excluding Federal income)   |         |        |           |            |
| 29. Real estate expenses                         |         |        |           | 6,643      |
| 30. Real estate taxes                            |         |        |           | 3,412      |
| 31. Interest on borrowed money                   |         |        |           |            |
| 32. Miscellaneous                                |         |        |           | 792        |
| Temp Help  |         |        |           | 7,772      |
| Donations  |         |        |           | 3,124      |
| Travel & Travel Items                            |         |        |           | 2,514      |
| Over and Short                                   |         |        |           | 329        |
| Education Expense                                |         |        |           | 883        |
| 33. Automobile Expense                           |         |        |           |            |
| 34. Total operating expense (items 9 through 34) |         |        |           | \$ 664,904 |

**NON-OPERATING EXPENSE**

|  |        |              |        |              |
|--|--------|--------------|--------|--------------|
| 35. Borrowed money repaid  |        |              |        |              |
| 36. Depreciation on real estate  |        |              |        | 6,257        |
| 37. Loss on sale of investments  |        |              |        |              |
| 38. Federal income tax Prior year  | 29,140 | Current year | 45,120 | 74,260       |
| 39. Premium collections transmitted to other companies                               |        |              |        | 200,234      |
| 40. Commissions paid agents for other companies                                      |        |              |        | 29,509       |
| 41. Decrease in ledger liabilities   |        |              |        | 90,239       |
| 42. .  |        |              |        |              |
| 43. Total non-operating expense (items 36 through 43)                                |        |              |        | \$ 400,499   |
| 44. Total disbursements (items 8, 35 and 44)   |        |              |        | \$ 1,987,121 |
| 45. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4 |        |              |        | \$ 6,207,912 |

## ASSETS - DECEMBER 31, 2023

|  | (1)<br>Ledger Assets | (2)<br>Non-ledger | (3)<br>Non-admitted Assets<br>including excess of<br>book over market<br>or amortized values | (4)<br>Current Year<br>Net<br>Admitted Assets<br>(1+2-3=4) | (5)<br>Prior Year<br>Net<br>Admitted Assets |
|--|----------------------|-------------------|--|--|---|
| 1. Bonds (schedule A-part 1)             | \$ 3,750,930         |                   |  | 3,750,930  | \$ 3,686,861                                |
| 2. Stocks (schedule A-part 2).           | 1,565,087            | 1,148,647         |  | 2,713,734  | \$ 2,419,025                                |
| 3. Bank Balances                         |                      |                   |  |  |   |
| 3.1 Check (C-1)                          | 334,634              |                   |  | 334,634  | \$ 274,545                                  |
| 3.2 Interest Bearing (C-2)               |                      |                   |  |  |   |
| 4. Real estate (schedule F)              | 98,823               |                   |  | 98,823   | \$ 105,080                                  |
| 5. Cash in office                        | 30                   |                   |  | 30   | \$ 30                                       |
| 6. Unpaid Premiums                       |                      |                   |  |  |   |
| 6.1 Due before November 1                |                      | 32                | 32   | xxxxxxx  |   |
| 6.2 Due after November 1                 |                      | 22,016            |  | 22,016   | \$ 9,574                                    |
| 7. Reinsurance receivable on paid losses |                      |                   |  |  |   |
| 8. Accrued interest                      | xxxxxxx              | 34,486            |  | 34,486   | \$ 35,381                                   |
| 9. Accrued rent due                      | xxxxxxx              |                   |  |  |   |
| 10. Equipment and furniture              | 174                  |                   | 174  | xxxxxxx  | xxxxxxx                                     |
| 11. Automobiles                          |                      |                   |  | xxxxxxx  | xxxxxxx                                     |
| 12. Cash surrender value of life ins.    |                      |                   |  |  |   |
| 13. Federal income tax recoverable       |                      |                   |  |  |   |
| 14. EDP Equipment & Software             | 20,000               |                   |  | 20,000   | \$ 20,000                                   |
| 15. Prepaid Reinsurance                  | 438,234              |                   |  | 438,234  | \$ 200,000                                  |
| 16. .                                    |                      |                   |  |  |   |
| 17. Totals                               | \$ 6,207,912         | \$ 1,205,181      | \$ 206   | \$ 7,412,887   | \$ 6,750,496                                |

## LIABILITIES - DECEMBER 31, 2023

|   |           | Current Year | Prior Year   |
|---|-----------|--------------|--------------|
| 1. Unpaid claims (reported)                               | \$ 52,116 |              |              |
| 2. Unpaid claims (incurred but not reported)              | 10,000    |              |              |
| 3. Total unpaid losses                                    | 62,116    |              |              |
| 4. Less: reinsurance recoverable on unpaid losses         |           |              |              |
| 5. Net unpaid claims                                      |           | \$ 62,116    | \$ 122,457   |
| 6. Unpaid adjusting expenses                              |           | 5,104        | 5,582        |
| 7. Ceded reinsurance balances payable                     |           | 70,715       | 54,621       |
| 8. Unpaid salaries and commissions                        |           | 38,592       | 1,160        |
| 9. Borrowed money   |           |              |              |
| 10. Interest due on borrowed money                        |           |              |              |
| 11. Amounts withheld for the account of others            |           | 62           | 19           |
| 12. Taxes payable: Real Estate                            |           | 1,710        | 1,620        |
| Federal Income  |           | 900          | 28,000       |
| Premium   |           | 2,045        | 496          |
| Other   |           | (1,378)      | 688          |
| 13. Other unpaid expenses                                 |           | 4,785        | 4,352        |
| 14. Premiums collected for other companies - not remitted |           | 11,104       | 11,168       |
| 15. Premiums received in advance                          |           | 48,339       | 21,751       |
| *16. Unearned premium reserve                             |           | 1,090,918    | 1,008,190    |
| 17. Investment Payable                                    |           |              | 130,000      |
| 18. Miscellaneous Liabilities                             |           |              |              |
| 19. Total liabilities                                     |           | \$ 1,335,012 | \$ 1,390,104 |
| 20. Surplus   |           | \$ 6,077,875 | \$ 5,360,392 |
| 21. Total liabilities and surplus                         |           | \$ 7,412,887 | \$ 6,750,496 |

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

\*Method of calculation: 40% method

## HISTORICAL INFORMATION

|  | 2023        | 2022        | 2021        | 2020        | 2019        |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Gross Premium</b>                   |             |             |             |             |             |
| Fire                                   | 1,455,444   | 1,343,083   | 1,313,390   | 1,226,567   | 1,207,357   |
| Windstorm                              | 1,336,100   | 1,243,903   | 1,223,863   | 1,148,062   | 1,142,680   |
| Other                                  | -           |             |             |             |             |
| Total Direct Premiums                  | 2,791,544   | 2,586,986   | 2,537,253   | 2,374,629   | 2,350,037   |
| <b>Net Premiums Written</b>            |             |             |             |             |             |
| Fire                                   | 1,333,103   | 1,248,827   | 1,202,363   | 1,226,567   | 1,207,357   |
| Windstorm                              | 1,213,760   | 1,149,646   | 1,112,837   | 1,148,062   | 1,142,680   |
| Other                                  | -           |             |             |             |             |
| Total Direct Premiums                  | 2,546,863   | 2,398,473   | 2,315,200   | 2,374,629   | 2,350,037   |
| Total Net of Reinsurance               | 1,926,038   | 1,932,915   | 1,905,519   | 1,798,877   | 1,806,923   |
| <b>Gross Losses Paid</b>               |             |             |             |             |             |
| Fire                                   | 657,912     | 476,321     | 905,647     | 950,761     | 419,406     |
| Windstorm                              | 281,674     | 995,482     | 313,088     | 961,606     | 3,796,662   |
| Other                                  | -           |             |             |             |             |
| Total                                  | 939,586     | 1,471,803   | 1,218,735   | 1,912,367   | 4,216,068   |
| <b>Net Losses Paid</b>                 |             |             |             |             |             |
| Fire                                   | 640,044     | 476,321     | 690,286     | 950,761     | 419,406     |
| Windstorm                              | 281,674     | 995,482     | 313,088     | 961,606     | 3,796,662   |
| Other                                  | -           |             |             |             |             |
| Total                                  | 921,718     | 1,471,803   | 1,003,374   | 1,912,367   | 4,216,068   |
| Total Net of Reinsurance               | 921,718     | 1,471,803   | 921,255     | 735,310     | 962,060     |
| <b>Loss Percentage (Direct)</b>        |             |             |             |             |             |
| Fire Losses/Fire Prem                  | 45.2%       | 35.5%       | 69.0%       | 77.5%       | 34.7%       |
| Windstorm Losses/Windstorm Prem        | 21.1%       | 80.0%       | 25.6%       | 83.8%       | 332.3%      |
| Other Losses"/Other Premiums           | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Total Losses/Total Prem                | 33.7%       | 56.9%       | 48.0%       | 80.5%       | 179.4%      |
| <b>Loss Percentage (Net)</b>           |             |             |             |             |             |
| Fire Losses/Fire Prem                  | 48.0%       | 38.1%       | 57.4%       | 77.5%       | 34.7%       |
| Windstorm Losses/Windstorm Prem        | 23.2%       | 86.6%       | 28.1%       | 83.8%       | 332.3%      |
| Other Losses"/Other Premiums           | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.0%        |
| Total Losses/Total Prem                | 36.2%       | 61.4%       | 43.3%       | 80.5%       | 179.4%      |
| Net Losses/Net Premiums                | 47.9%       | 76.1%       | 48.3%       | 40.9%       | 53.2%       |
| <b>Balance Sheet Items</b>             |             |             |             |             |             |
| Total Admitted Assets                  | 7,412,887   | 6,750,496   | 7,032,512   | 6,277,432   | 5,509,351   |
| Liabilities                            | 1,335,012   | 1,390,104   | 1,714,348   | 1,338,967   | 1,163,330   |
| Surplus                                | 6,077,875   | 5,360,392   | 5,318,164   | 4,938,465   | 4,346,021   |
| Bonds                                  | 3,750,930   | 3,686,861   | 3,561,905   | 2,880,076   | 2,614,239   |
| Stocks                                 | 2,713,734   | 2,419,025   | 2,529,692   | 2,301,859   | 2,150,325   |
| Real Estate                            | 98,823      | 105,080     | 111,337     | 118,234     | 113,354     |
| Unpaid Premium (line 8.1)              | -           | -           | -           | -           | (52)        |
| Unpaid Premium (line 8.2)              | 22,016      | 9,574       | 10,494      | 35,931      | 1,877       |
| Unearned Premium                       | 1,090,918   | 1,008,190   | 985,130     | 945,728     | 900,926     |
| <b>Balance Sheet Percentages</b>       |             |             |             |             |             |
| Bonds/Admitted Assets                  | 51%         | 55%         | 51%         | 46%         | 47%         |
| Stocks/Admitted Assets                 | 37%         | 36%         | 36%         | 37%         | 39%         |
| Real Estate/Admitted Assets            | 1%          | 2%          | 2%          | 2%          | 2%          |
| Unpaid Prem (line 8.2)/Admitted Assets | 0%          | 0%          | 0%          | 1%          | 0%          |
| <b>Income/Disbursement Items</b>       |             |             |             |             |             |
| Total Income                           | 2,365,003   | 2,481,042   | 2,418,490   | 2,227,628   | 2,330,444   |
| Total Disbursements                    | 1,987,121   | 2,481,104   | 1,936,214   | 1,788,093   | 1,906,210   |
| Operating Expense                      | 664,904     | 741,750     | 744,605     | 757,894     | 687,454     |
| Commissions                            | 214,696     | 193,676     | 270,553     | 282,362     | 276,754     |
| Investment Income                      | 198,649     | 176,302     | 263,621     | 173,610     | 190,527     |
| Salaries (lines 14-17)                 | 183,027     | 262,814     | 226,770     | 242,977     | 171,357     |
| <b>Other</b>                           |             |             |             |             |             |
| Gross Risk in Force                    | 663,595,221 | 639,757,133 | 608,531,003 | 553,222,293 | 544,973,688 |
| Number of Policies                     | 1,785       | 1,847       | 1,868       | 1,836       | 1,852       |
| Operating Expense/Net Premium          | 35%         | 38%         | 39%         | 42%         | 38%         |