

## September 30, 2024 - Quarterly Statement

*Iowa Company Number:* 0036

### Clay Mutual Insurance Association

Cindy Thompson  
515 GRAND, PO BOX 467  
SPENCER IA 51301

**September 30, 2024**

|   |                    |                                    |   |                                    |    |           |
|---|--------------------|------------------------------------|---|------------------------------------|----|-----------|
| 1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 ..... |                    |                                    |   |                                    | \$ | 6,207,912 |
| <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 .....   | \$ 1,205,598       | \$                                 | \$ 144,296                                | \$ 1,061,302                       |    |           |
| 3. Windstorm .....  | 1,184,789          |                                    | 144,296                                   | 1,040,493                          |    |           |
| 4. Other .....  |                    |                                    |   |                                    |    |           |
| 5. Totals .....   | \$ 2,390,387       | \$                                 | \$ 288,592                                | \$ 2,101,795                       |    |           |
| 6. All reinsurance premiums ceded other than Per Risk                         |                    |                                    |   | 1,097,078                          |    |           |
| 7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)             |                    |                                    |   |                                    | \$ | 1,004,717 |
| 8. Interest received on bonds .....   |                    |                                    |   | 86,362                             |    |           |
| 9. Increase in adjustment of bonds  |                    | \$ 1,305                           | , less                                    |                                    |    |           |
|   | \$ 21,647          | decrease in adjustment of bonds    |   | (20,342)                           |    |           |
| 10. Dividends received .....  |                    |                                    |   | 173,470                            |    |           |
| 11. Interest received on bank deposits .....                                  |                    |                                    |   | 8,836                              |    |           |
| 12. Other Interest .....  |                    |                                    |   |                                    |    |           |
| 13. Profit on sale of investment .....  |                    |                                    |   | 201,911                            |    |           |
| 14. Rents received* .....   |                    |                                    |   | 18,500                             |    |           |
| 15. Total income from investments (items 8 through 14) .....                  |                    |                                    |   |                                    | \$ | 468,737   |
| 16. Borrowed money .....  |                    |                                    |   |                                    |    |           |
| 17. Premiums collected for other companies (less refunds) .....               |                    |                                    |   | 211,663                            |    |           |
| 18. Increase in ledger liabilities .....                                      |                    |                                    |   |                                    |    |           |
| 19. Overwrite fees received .....   |                    |                                    |   |                                    |    |           |
| 20. Federal income tax refund .....   |                    |                                    |   |                                    |    |           |
| 21. Miscellaneous income .....  |                    |                                    |   |                                    |    |           |
| 22. ....  |                    |                                    |   |                                    |    |           |
| 23. ....  |                    |                                    |   |                                    |    |           |
| 24. Total (items 16 through 23) .....   |                    |                                    |   |                                    | \$ | 211,663   |
| 25. Total income (items 5,15 and 24) .....                                    |                    |                                    |   |                                    | \$ | 1,685,117 |
| 26. Total assets and income (item 1 plus item 25) .....                       |                    |                                    |   |                                    | \$ | 7,893,029 |

\*Includes \$ 6,000 For association's occupancy of its own buildings

**September 30, 2024**

1. Amount brought forward from line 29 page 2 ..... \$ 7,893,029

**DISBURSEMENTS - DECREASES IN LEDGER ASSETS**

|                    | (1)<br>Direct<br>Losses | (2)<br>Reinsurance<br>Assumed | (3)<br>Per Risk Reinsurance<br>Recovered | (4)<br>Net Losses Paid<br>(1 + 2 - 3 = 4) |
|--------------------|-------------------------|-------------------------------|--|---|
| 2. Fire .....      | \$ 1,085,750            | \$                            | \$                                       | \$ 1,085,750                              |
| 3. Windstorm ..... | 1,108,418               |                               |  | 1,108,418                                 |
| 4. Other .....     |                         |                               |  |   |
| 5. Totals .....    | \$ 2,194,168            | \$                            | \$                                       | \$ 2,194,168                              |

6. All reinsurance losses ceded other than Per Risk Losses .....

7. Total of all net losses (line 6, col.4 - line 7 = line 8) ..... \$ 2,194,168

**OPERATING EXPENSE**

|  |            |
|--|------------|
| 8. Loss Adjustment Expenses .....                      | 120,323    |
| 9. Commissions .....                                   | 142,559    |
| 10. Advertising .....                                  | 3,763      |
| 11. Boards, bureaus and associations .....             | 9,731      |
| 12. Inspection and loss prevention .....               | 42         |
| 13. Salaries of officers. ....                         | 65,235     |
| 14. Expenses of officers .....                         |            |
| 15. Salaries of office employees .....                 | 44,039     |
| 16. Employee welfare .....                             | 30,855     |
| 17. Insurance .....                                    | 6,844      |
| 18. Directors' compensation .....                      | 3,150      |
| 19. Directors' expenses .....                          | 1,253      |
| 20. Rent and rent items .....                          | 6,000      |
| 21. Equipment .....                                    | 33,851     |
| 22. Printing, stationery and supplies .....            | 1,157      |
| 23. Postage and telephone .....                        | 25,033     |
| 24. Legal and auditing .....                           | 15,125     |
| 25. State insurance taxes March 1 .....                | 2,044      |
| June 1 13,957 August 15 13,957                         | 29,958     |
| 26. Insurance Division licenses and fees .....         | 10,528     |
| 27. Payroll taxes .....                                | 10,390     |
| 28. All other taxes (excluding Federal income) .....   |            |
| 29. Real estate expenses .....                         | 17,069     |
| 30. Real estate taxes .....                            | 1,878      |
| 31. Interest on borrowed money .....                   | 85         |
| 32. Miscellaneous .....                                | (1,289)    |
| a Annual Meeting Expense .....                         |            |
| b Donations/Contributions .....                        | 300        |
| c Travel & Travel Items .....                          | 1,911      |
| d Over and Short .....                                 | 1,468      |
| e .....  |            |
| 33. Total operating expense (items 8 through 32) ..... | \$ 581,258 |

**NON-OPERATING EXPENSE**

|   |              |
|---|--------------|
| 34. Borrowed money repaid .....   |              |
| 35. Depreciation on real estate .....   | 4,693        |
| 36. Loss on sale of investments .....   | 13,076       |
| 37. Federal income tax Prior year 807 Current year 10,000                                   | 10,807       |
| 38. Premium collections transmitted to other companies .....                                | 176,388      |
| 39. Commissions paid agents for other companies .....                                       | 16,946       |
| 40. Decrease in ledger liabilities .....  | 23,928       |
| 41. ....  |              |
| 42. Total non-operating expense (items 34 through 41) .....                                 | \$ 245,838   |
| 43. Total disbursements (items 7, 33 and 42) .....  | \$ 3,021,264 |
| 44. Balance - ledger assets, September 30th must agree with Line 17, Column 1, Page 4 ..... | \$ 4,871,765 |

## ASSETS - September 30, 2024

|   | (1)<br>Ledger Assets | (2)<br>Non-ledger | (3)<br>Assets not admitted<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 .....                                    | \$ 3,625,589         | \$                | \$   | \$ 3,625,589   | \$ 3,750,930                                |
| 2. Stocks .....                                   | 1,391,257            | 1,155,078         |  | 2,546,335  | 2,713,734                                   |
| 3. Bank Balances                                  |                      |                   |  |  |   |
| 3.1 Subject to check .....                        | (255,908)            |                   |  | (255,908)  | 334,634                                     |
| 3.2 On interest .....                             |                      |                   |  |  |   |
| 4. Real estate .....                              | 94,131               |                   |  | 94,131   | 98,823                                      |
| 5. Cash in office .....                           | 30                   |                   |  | 30   | 30  |
| 6. Unpaid premiums                                |                      |                   |  |  |   |
| 6.1 Due before August 1 .....                     |                      |                   |  | xxxxxxx  | xxxxxxx                                     |
| 6.2 Due after August 1 .....                      |                      | 13,960            |  | 13,960   | 22,016                                      |
| 7. Reinsurance receivable on paid<br>losses ..... |                      | 3,822             |  | 3,822  |   |
| 8. Accrued interest .....                         | xxxxxxx              | 37,120            |  | 37,120   | 34,486                                      |
| 9. Accrued rent due .....                         | xxxxxxx              |                   |  |  |   |
| 10. Equipment and furniture .....                 |                      |                   |  | xxxxxxx  | xxxxxxx                                     |
| 11. Automobiles .....                             |                      |                   |  | xxxxxxx  | xxxxxxx                                     |
| 12. Cash surrender value of life ins. ....        |                      |                   |  |  |   |
| 13. Federal income tax recoverable .....          |                      | 101,000           | 101,000  |  |   |
| 14. EDP Equipment & Software .....                | 16,666               |                   |  | 16,666   | 20,000                                      |
| 15. Prepaid Reinsurance .....                     |                      |                   |  |  | 438,234                                     |
| 16. ....  |                      |                   |  |  |   |
| 17. Totals .....                                  | \$ 4,871,765         | \$ 1,310,980      | \$ 101,000   | \$ 6,081,745   | \$ 7,412,887                                |

Bonds are amortized through: 9/30/2024

## LIABILITIES - September 30, 2024

|   |                      | Current Year | Prior Year   |
|---|----------------------|--------------|--------------|
| 1. Unpaid claims (reported) .....                               | \$ 473,684           |              |              |
| 2. Unpaid claims (incurred but not reported) .....              |                      |              |              |
| 3. Total unpaid losses .....                                    | 473,684              |              |              |
| 4. Less: reinsurance recoverable on unpaid losses .....         | 471,297              |              |              |
| 5. Net unpaid claims .....                                      |                      | \$ 2,387     | \$ 62,116    |
| 6. Unpaid adjusting expenses .....                              |                      | 5,594        | 5,104        |
| 7. Ceded reinsurance balances payable .....                     |                      | 10           | 70,715       |
| 8. Unpaid salaries and commissions .....                        |                      | 1,675        | 38,592       |
| 9. Borrowed money .....   |                      |              |              |
| 10. Interest due on borrowed money .....                        |                      |              |              |
| 11. Amounts withheld for the account of others .....            |                      |              | 62           |
| 12. Taxes payable:  | Real Estate .....    | 2,820        | 1,710        |
|   | Federal Income ..... |              | 900          |
|   | Premium .....        | (4,010)      | 2,045        |
|   | Other .....          | (887)        | (1,378)      |
| 13. Other unpaid expenses .....                                 |                      | 3,816        | 4,785        |
| 14. Premiums collected for other companies - not remitted ..... |                      | 21,985       | 11,104       |
| 15. Premiums received in advance .....                          |                      | 47,918       | 48,339       |
| *16. Unearned premium reserve .....                             |                      | 1,243,793    | 1,090,918    |
| 17. ....  |                      |              |              |
| 18. ....  |                      |              |              |
| 19. Total liabilities .....                                     |                      | \$ 1,325,101 | \$ 1,335,012 |
| 20. Surplus .....   |                      | \$ 4,756,644 | \$ 6,077,875 |
| 21. Total liabilities and surplus .....                         |                      | \$ 6,081,745 | \$ 7,412,887 |

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

\*Method of calculation: 40% method

**Clay Mutual Insurance Association  
Policyholders' Surplus Reconciliation  
For the Period Ended September 30, 2024**

|  |                                |
|--|--------------------------------|
| Policyholders' Surplus - January 1           | \$ 6,077,875                   |
| Additions:                                   |                                |
| Net Income (Loss)                            | (1,312,219)                    |
| Non-Ledger Assets - End of Period            | 1,310,980                      |
| Non-Ledger Liabilities - Beginning of Period | 1,284,699                      |
| Non-Admitted Assets - Beginning of Period    | 206                            |
|  | <u>\$ 1,283,666</u>            |
| Deductions                                   |                                |
| Non-Ledger Assets - Beginning of Period      | 1,205,181                      |
| Non-Ledger Liabilities - End of Period       | 1,298,716                      |
| Non-Admitted Assets - End of Period          | 101,000                        |
|  | <u>\$ 2,604,897</u>            |
| <br>Policyholders' Surplus - September 30    | <br><u><u>\$ 4,756,644</u></u> |



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To Management and the Board of Directors  
Clay Mutual Insurance Association  
Spencer, Iowa 51301

Management is responsible for the accompanying financial statements of Clay Mutual Insurance Association, which comprise the statements of assets and liabilities – statutory basis as of September 30, 2024 and December 31, 2023, and the related statement of income and disbursements – statutory basis for the 2024 period then ended, included in the accompanying prescribed form in accordance with the accounting practices prescribed or permitted by the Iowa Insurance Division. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements included in the accompanying prescribed form nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements included in the accompanying prescribed form.

The prescribed form financial statements omit substantially all of the disclosures required by statutory accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Iowa Insurance Division, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

The supplementary ratio analysis information contained in the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

This report is intended solely for the information and use of management and the board of directors of Clay Mutual Insurance Association and the Iowa Insurance Division and is not intended to be and should not be used by anyone other than these specified parties.

*Kris E. Sterler, CPA PLC*  
Kris E. Sterler, CPA PLC

Harlan, Iowa  
November 12, 2024