

September 30, 2024 - Quarterly Statement

Iowa Company Number: 0117

Farmers Mutual Insurance Association

Duane McGregor
915 BROADWAY, PO BOX 333
EMMETSBURG IA 50536

September 30, 2024

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4					\$	8,823,241
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	\$ 2,084,638	\$	\$ 167,656	\$ 1,916,982		
3. Windstorm	1,923,062		167,657	1,755,405		
4. Other	30,290			30,290		
5. Totals	\$ 4,037,990	\$	\$ 335,313	\$ 3,702,677		
6. All reinsurance premiums ceded other than Per Risk				1,199,927		
7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)					\$	2,502,750
8. Interest received on bonds				96,785		
9. Increase in adjustment of bonds		\$ 707	, less			
	\$ 21,583	decrease in adjustment of bonds		(20,876)		
10. Dividends received				44,204		
11. Interest received on bank deposits				18,767		
12. Other Interest						
13. Profit on sale of investment				60,986		
14. Rents received*				1,800		
15. Total income from investments (items 8 through 14)					\$	201,666
16. Borrowed money						
17. Premiums collected for other companies (less refunds)						
18. Increase in ledger liabilities				5,682		
19. Overwrite fees received				23,195		
20. Federal income tax refund						
21. Miscellaneous income						
22.						
23.						
24. Total (items 16 through 23)					\$	28,877
25. Total income (items 5,15 and 24)					\$	2,733,293
26. Total assets and income (item 1 plus item 25)					\$	11,556,534

*Includes \$ 900 For association's occupancy of its own buildings

September 30, 2024

1. Amount brought forward from line 29 page 2 \$ 11,556,534

DISBURSEMENTS - DECREASES IN LEDGER ASSETS

	(1) Direct Losses	(2) Reinsurance Assumed	(3) Per Risk Reinsurance Recovered	(4) Net Losses Paid (1 + 2 - 3 = 4)
2. Fire	\$ 720,105	\$	\$	\$ 720,105
3. Windstorm	226,870			226,870
4. Other	28,619			28,619
5. Totals	\$ 975,594	\$	\$	\$ 975,594

6. All reinsurance losses ceded other than Per Risk Losses 195,720

7. Total of all net losses (line 6, col.4 - line 7 = line 8) \$ 779,874

OPERATING EXPENSE

8. Loss Adjustment Expenses	86,601
9. Commissions	467,129
10. Advertising	4,028
11. Boards, bureaus and associations	2,655
12. Inspection and loss prevention	
13. Salaries of officers.	57,300
14. Expenses of officers	
15. Salaries of office employees	66,450
16. Employee welfare	25,914
17. Insurance	
18. Directors' compensation	8,379
19. Directors' expenses	
20. Rent and rent items	3,376
21. Equipment	23,132
22. Printing, stationery and supplies	2,932
23. Postage and telephone	12,919
24. Legal and auditing	19,292
25. State insurance taxes March 1	9,174
June 1 18,325 August 15 18,325	45,824
26. Insurance Division licenses and fees	100
27. Payroll taxes	12,826
28. All other taxes (excluding Federal income)	
29. Real estate expenses	2,080
30. Real estate taxes	4,668
31. Interest on borrowed money	
32. Miscellaneous	7,905
a Technology Expense	29,924
b Travel, Meals & Entertainment	1,329
c Education	2,989
d Investment Expense	17,779
e	
33. Total operating expense (items 8 through 32)	\$ 905,531

NON-OPERATING EXPENSE

34. Borrowed money repaid	
35. Depreciation on real estate	3,313
36. Loss on sale of investments	4,782
37. Federal income tax Prior year Current year 70,000	70,000
38. Premium collections transmitted to other companies	
39. Commissions paid agents for other companies	
40. Decrease in ledger liabilities	
41.	
42. Total non-operating expense (items 34 through 41)	\$ 78,095
43. Total disbursements (items 7, 33 and 42)	\$ 1,763,500
44. Balance - ledger assets, June 30th must agree with Line 17, Column 1, Page 4	\$ 9,793,034

ASSETS - September 30, 2024

	(1) Ledger Assets	(2) Non-ledger	(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	\$ 4,407,720	\$	\$	\$ 4,407,720	\$ 4,528,596
2. Stocks	2,504,067	950,743		3,454,810	3,024,382
3. Bank Balances					
3.1 Subject to check	835,106			835,106	265,946
3.2 On interest	854,657			854,657	485,472
4. Real estate	120,188			120,188	123,501
5. Cash in office	42			42	4
6. Unpaid premiums					
6.1 Due before August 1	116		116	xxxxxxx	xxxxxxx
6.2 Due after August 1	1,040,308		999,677	40,631	10,562
7. Reinsurance receivable on paid losses		6,349		6,349	15,134
8. Accrued interest	xxxxxxx	46,071		46,071	37,323
9. Accrued rent due	xxxxxxx				
10. Equipment and furniture	11		11	xxxxxxx	xxxxxxx
11. Automobiles	17,485		17,485	xxxxxxx	xxxxxxx
12. Cash surrender value of life ins.					
13. Federal income tax recoverable					
14. Prepaid Reinsurance					350,000
15. EDP Equipment & Software	13,334			13,334	18,333
16.					
17. Totals	\$ 9,793,034	\$ 1,003,163	\$ 1,017,289	\$ 9,778,908	\$ 8,859,253

Bonds are amortized through: 9/30/2024

LIABILITIES - September 30, 2024

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 154,429		
2. Unpaid claims (incurred but not reported)	5,000		
3. Total unpaid losses	159,429		
4. Less: reinsurance recoverable on unpaid losses	25,051		
5. Net unpaid claims		\$ 134,378	\$ 78,834
6. Unpaid adjusting expenses		3,665	32,000
7. Ceded reinsurance balances payable		133	233,796
8. Unpaid salaries and commissions		190,844	113,988
9. Borrowed money			
10. Interest due on borrowed money			
11. Amounts withheld for the account of others		4,713	2,774
12. Taxes payable:	Real Estate	1,200	2,000
	Federal Income	108,000	
	Premium	3,724	9,174
	Other		1,975
13. Other unpaid expenses		5,289	7,487
14. Premiums collected for other companies - not remitted		31,545	(6,324)
15. Premiums received in advance		101,897	76,265
*16. Unearned premium reserve		1,717,767	1,320,603
17. Due to Agency		21,608	
18.			
19. Total liabilities		\$ 2,324,763	\$ 1,872,572
20. Surplus		\$ 7,454,145	\$ 6,986,681
21. Total liabilities and surplus		\$ 9,778,908	\$ 8,859,253

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

*Method of calculation: Actual, daily pro-rata

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

Policyholders' Surplus - January 1, 2024	\$ 6,986,681
Additions:	
Net Income	964,111
Non-Ledger Assets - End of Period	1,003,163
Non-Ledger Liabilities - Beginning of Period	1,762,787
Non-Admitted Assets - Beginning of Period	645,240
	<u>\$ 4,375,301</u>
Deductions	
Non-Ledger Assets - Beginning of Period	681,252
Non-Ledger Liabilities - End of Period	2,209,296
Non-Admitted Assets - End of Period	1,017,289
	<u>\$ 3,907,837</u>
 Policyholders' Surplus - September 30, 2024	 <u><u>\$ 7,454,145</u></u>

See Accountant's Compilation Report.



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To Management and the Board of Directors
Farmers Mutual Insurance Association
Emmetsburg, Iowa 50536

Management is responsible for the accompanying financial statements of Farmers 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 interim 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. I do not express an opinion, a conclusion, nor provide any 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 statement. 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 Farmers 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
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Harlan, Iowa
November 12, 2024