

September 30, 2024 - Quarterly Statement

Iowa Company Number: 0132

Shelby County Farmers Mutual Insurance Association

Brock Darling
1117 7TH ST
HARLAN IA 51537

September 30, 2024

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4					\$ 10,632,974
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	\$ 1,447,465	\$	\$ 335,675	\$ 1,111,790	
3. Windstorm	898,790		208,435	690,355	
4. Other					
5. Totals	\$ 2,346,255	\$	\$ 544,110	\$ 1,802,145	
6. All reinsurance premiums ceded other than Per Risk				1,080,712	
7. Total net premiums and fees (line 5, col. 4 - line 6 = line 8)					\$ 721,433
8. Interest received on bonds				133,188	
9. Increase in adjustment of bonds		\$ 3,404	, less		
	\$ 18,429	decrease in adjustment of bonds		(15,025)	
10. Dividends received				65,219	
11. Interest received on bank deposits				14,577	
12. Other Interest					
13. Profit on sale of investment				303,254	
14. Rents received*				22,050	
15. Total income from investments (items 8 through 14)					\$ 523,263
16. Borrowed money					
17. Premiums collected for other companies (less refunds)					
18. Increase in ledger liabilities					
19. Overwrite fees received				8,050	
20. Federal income tax refund				22,000	
21. Miscellaneous income				500	
22.					
23.					
24. Total (items 16 through 23)					\$ 30,550
25. Total income (items 5,15 and 24)					\$ 1,275,246
26. Total assets and income (item 1 plus item 25)					\$ 11,908,220

*Includes \$ 4,050 For association's occupancy of its own buildings

September 30, 2024

1. Amount brought forward from line 29 page 2 \$ 11,908,220

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	\$ 94,490	\$	\$	\$ 94,490
3. Windstorm	4,991,627		356,806	4,634,821
4. Other				
5. Totals	\$ 5,086,117	\$	\$ 356,806	\$ 4,729,311

6. All reinsurance losses ceded other than Per Risk Losses 3,212,688

7. Total of all net losses (line 6, col.4 - line 7 = line 8) \$ 1,516,623

OPERATING EXPENSE

8. Loss Adjustment Expenses	221,915
9. Commissions	189,450
10. Advertising	2,044
11. Boards, bureaus and associations	8,546
12. Inspection and loss prevention	1,667
13. Salaries of officers.	75,020
14. Expenses of officers	
15. Salaries of office employees	55,571
16. Employee welfare	32,605
17. Insurance	30,025
18. Directors' compensation	12,687
19. Directors' expenses	
20. Rent and rent items	4,050
21. Equipment	21,199
22. Printing, stationery and supplies	2,985
23. Postage and telephone	11,068
24. Legal and auditing	18,300
25. State insurance taxes March 1	3,070
June 1 11,241 August 15 11,241	25,552
26. Insurance Division licenses and fees	564
27. Payroll taxes	11,830
28. All other taxes (excluding Federal income)	
29. Real estate expenses	7,496
30. Real estate taxes	1,430
31. Interest on borrowed money	
32. Miscellaneous	4,522
a Technology Expense	25,264
b Investment Expense	30,512
c Meals & Entertainment Expenses	2,213
d Travel & Meeting Expense	13,462
e	
33. Total operating expense (items 8 through 32)	\$ 809,977

NON-OPERATING EXPENSE

34. Borrowed money repaid	
35. Depreciation on real estate	2,339
36. Loss on sale of investments	17,465
37. Federal income tax Prior year Current year	
38. Premium collections transmitted to other companies	
39. Commissions paid agents for other companies	
40. Decrease in ledger liabilities	157,468
41.	
42. Total non-operating expense (items 34 through 41)	\$ 177,272
43. Total disbursements (items 7, 33 and 42)	\$ 2,503,872
44. Balance - ledger assets, June 30th must agree with Line 17, Column 1, Page 4	\$ 9,404,348

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	\$ 6,242,164	\$	\$	\$ 6,242,164	\$ 6,382,327
2. Stocks	2,476,101	710,342		3,186,443	4,100,680
3. Bank Balances					
3.1 Subject to check	144,607			144,607	529,289
3.2 On interest					
4. Real estate	99,246			99,246	79,813
5. Cash in office	50			50	50
6. Unpaid premiums					
6.1 Due before August 1	178		178	xxxxxxx	xxxxxxx
6.2 Due after August 1	420,834		400,768	20,066	6,966
7. Reinsurance receivable on paid losses		304,839		304,839	
8. Accrued interest	xxxxxxx	65,926		65,926	50,206
9. Accrued rent due	xxxxxxx				
10. Equipment and furniture	15,818		15,818	xxxxxxx	xxxxxxx
11. Automobiles				xxxxxxx	xxxxxxx
12. Cash surrender value of life ins.					
13. Federal income tax recoverable		43,870	43,870		
14. Overwrite Receivable/Salvage Receivable. . .		706		706	1,054
15. EDP Equipment & Software	5,350			5,350	5,350
16.					
17. Totals	\$ 9,404,348	\$ 1,125,683	\$ 460,634	\$ 10,069,397	\$ 11,155,735

Bonds are amortized through: 9/30/2024

LIABILITIES - September 30, 2024

		Current Year	Prior Year
1. Unpaid claims (reported)	\$ 1,518,178		
2. Unpaid claims (incurred but not reported)	80,000		
3. Total unpaid losses	1,598,178		
4. Less: reinsurance recoverable on unpaid losses	1,285,607		
5. Net unpaid claims		\$ 312,571	\$ 226,691
6. Unpaid adjusting expenses		57,606	6,610
7. Ceded reinsurance balances payable		145,166	22,414
8. Unpaid salaries and commissions		38,286	6,528
9. Borrowed money			200,000
10. Interest due on borrowed money			
11. Amounts withheld for the account of others			
12. Taxes payable:	Real Estate	360	700
	Federal Income		
	Premium	732	3,070
	Other		
13. Other unpaid expenses		1,735	12,317
14. Premiums collected for other companies - not remitted		8,930	13,689
15. Premiums received in advance		55,049	51,533
*16. Unearned premium reserve		1,398,236	1,040,896
17.			
18.			
19. Total liabilities		\$ 2,018,671	\$ 1,584,448
20. Surplus		\$ 8,050,726	\$ 9,571,287
21. Total liabilities and surplus		\$ 10,069,397	\$ 11,155,735

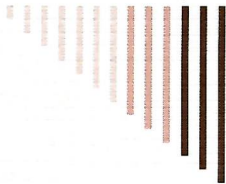
(line 21 must agree with line 17 column 4, page 4)

*Method of calculation: Actual, daily pro-rata

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

Policyholders' Surplus - January 1	\$ 9,571,287
Additions:	
Net Income (Loss)	(1,071,158)
Non-Ledger Assets - End of Period	1,125,683
Non-Ledger Liabilities - Beginning of Period	1,350,803
Non-Admitted Assets - Beginning of Period	340,168
	<u>\$ 1,745,496</u>
Deductions	
Non-Ledger Assets - Beginning of Period	862,929
Non-Ledger Liabilities - End of Period	1,942,494
Non-Admitted Assets - End of Period	460,634
	<u>\$ 3,266,057</u>
 Policyholders' Surplus - September 30	 <u><u>\$ 8,050,726</u></u>

See Accountant's Compilation Report.



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To Management and the Board of Directors
Shelby County Farmers Mutual Insurance Association
Harlan, Iowa 51537

Management is responsible for the accompanying financial statements of Shelby County 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 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 Shelby County 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
Kris E. Sterler, CPA PLC

Harlan, Iowa
November 12, 2024