

December 31, 2018 - Annual Statement

Iowa Company Number: 0141

Farmers Mutual Insurance Association

Dan Dierks
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Traer

IA

50675-00

DECEMBER 31, 2018

1. Ledger Assets, December 31 of previous year, Total column 1, page 4.....

\$ 3,963,873

INCOME - INCREASES IN LEDGER ASSETS

		PREMIUMS				
	(1) Direct Premiums	(2) Reinsurance Premiums Assumed	(3) Specific Reinsurance Premiums Ceded	(4) Net Premiums (1+2-3=4)		
2. Fire.....	\$ 497,485	\$	\$ 4,552	\$ 492,933		
3. Windstorm.....	463,589			463,589		
4. Crop Hail.....						
Homeowner						
5. Assumed.....	XXXXXXX					
6. Totals.....	\$ 961,074	\$	\$ 4,552	\$ 956,522		
7. Aggregate excess loss reinsurance paid.....				404,931		
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8).....					\$	<u>551,591</u>
9. Net interest received on bonds.....				106,014		
10. Increase in adjustment of bonds <u>1,053</u> , less <u>18,950</u> decrease in adjustment of bonds.....				(17,897)		
11. Dividends received.....				4,548		
12. Interest received on bank deposits (schedule C-2, column 7).....				1,061		
13. Interest received on mortgage loans (schedule D, column 6).....						
14. Other interest.....						
15. Profit on sale of investment.....						
16. Rents received*.....				3,600		
17. Total income from investments (items 9 through 16).....					\$	<u>97,326</u>
18. Borrowed money.....						
19. Premiums collected for other companies (less refunds).....				45,787		
20. Checks charged off.....						
21. Increase in ledger liabilities.....						
22. Underwriting expense reimbursement.....						
23. Federal income tax refund.....						
24. Miscellaneous income.....						
25. Crop Hail Contingency Commission.....						
26.						
27. Total (items 18 through 26).....					\$	<u>45,787</u>
28. Total income (items 8, 17, and 27).....					\$	<u>694,704</u>
29. Total assets and income (item 1 plus item 28).....					\$	<u>4,658,577</u>

*Includes \$2,400 for association's occupancy of its own buildings.

DECEMBER 31, 2018

1. Amount brought forward from line 29 page 2.....

\$ 4,658,577

DISBURSEMENTS - DECREASES IN LEDGER ASSETS

LOSSES			
(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsurance Recovered	(4) Net Losses Paid (1+2-3=4)
2. Fire.....	\$ 278,084	\$	\$ 278,084
3. Windstorm.....	136,486		136,486
4. Crop Hail			
5. Homeowners Assumed.....	XXXXXXXXXX		
6. Totals.....	\$ 414,570	\$	\$ 414,570

7. Received from aggregate excess loss reinsurance.....

109,539

8. Total of all net losses (line 6, column 4 - line 7 = line 8).....

\$ 305,031

OPERATING EXPENSE

9. Loss Adjustment Expenses.....	<u>16,324</u>
10. Commissions.....	<u>133,617</u>
11. Advertising.....	<u>2,520</u>
12. Boards, bureaus and associations.....	<u>6,126</u>
13. Inspection and loss prevention.....	<u>3,838</u>
14. Salaries of officers.....	<u>34,496</u>
15. Expenses of officers.....	<u>680</u>
16. Salaries of office employees.....	<u>78,049</u>
17. Employee welfare.....	<u>5,391</u>
18. Insurance.....	<u>12,344</u>
19. Directors' compensation.....	<u>3,645</u>
20. Directors' expenses.....	
21. Rent and rent items.....	<u>2,854</u>
22. Equipment.....	<u>13,695</u>
23. Printing, stationery and supplies.....	<u>2,301</u>
24. Postage and telephone	<u>6,026</u>
25. Legal and auditing.....	<u>12,420</u>
26. State insurance taxes (March 1, 0) (June 1, 4,726) (August 15, 4,763)	<u>9,490</u>
27. Insurance Division licenses and fees.....	<u>130</u>
28. Payroll taxes.....	<u>9,885</u>
29. All other taxes (excluding Federal income).....	
30. Real estate expenses.....	<u>3,790</u>
31. Real estate taxes.....	<u>1,046</u>
32. Interest on borrowed money.....	
33. Miscellaneous.....	<u>122</u>
a. Annual Meeting.....	<u>286</u>
b. Donations/Contributions.....	<u>375</u>
c. Travel and Travel Items.....	
d. Over and Short.....	<u>74</u>

34.

35. Total operating expense (items 9 through 34).....

\$ 359,524

NON-OPERATING EXPENSE

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	<u>3,946</u>
38. Loss on sale of investments.....	
39. Federal income tax Prior year, 0 Current year, 15,002	<u>15,002</u>
40. Premium collections transmitted to other companies.....	<u>36,470</u>
41. Commission paid agents for other companies.....	<u>6,838</u>
42. Decrease in ledger liabilities.....	<u>11,799</u>
43. Federal income tax penalty/interest.....	

44. Total non-operating expense (items 36 through 43).....

74,055

45. Total disbursements (items 8, 35, and 44).....

\$ 738,610

46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4.....

\$ 3,919,967

ASSETS - DECEMBER 31, 2018

	(1) Ledger Assets	(2) Non-ledger including excess of market (or amortized) over book value	(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 (schedule A-part 1).....	\$ 2,794,010	\$	\$ 22,874	\$ 2,771,136	\$ 2,812,229
2. Stocks (schedule A-part 2).....	497,830	16,041		513,871	517,656
3. Bank Balances					
3.1 Subject to check(C-1).....	1,983			1,983	(66,321)
3.2 On interest (C-2).....	613,088			613,088	699,439
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	10,633			10,633	14,579
7. Cash in office.....					
8. Unpaid Premiums					
8.1 Due before November 1.....				X X X X X X	X X X X X X
8.2 Due after November 1.....		13,351		13,351	14,968
9. Bills receivable.....				X X X X X X	X X X X X X
10. Agent's balances.....					
11. Reinsurance receivable on paid losses.....					58,859
12. Accrued interest.....	X X X X X X	22,520		22,520	27,892
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....				X X X X X X	X X X X X X
15. Supplies.....				X X X X X X	X X X X X X
16. Automobiles.....				X X X X X X	X X X X X X
17. Cash surrender value of life ins.					
18. Federal Inc. tax recoverable.....					
19. Electronic data processing equipment.....	2,423			2,423	1,007
20. Service fees & misc receivables..					
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 3,919,967	\$ 51,912	\$ 22,874	\$ 3,949,005	\$ 4,080,308

*Bonds are amortized through 12/31/2018.

LIABILITIES - DECEMBER 31, 2018

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 46,805		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	46,805		
4. Less: reinsurance recoverable on unpaid losses.....	32,805		
5. Net unpaid claims.....		\$ 14,000	\$
6. Unpaid adjusting expenses.....		2,300	4,000
7. Ceded reinsurance balances payable.....		34,175	33,216
8. Unpaid salaries and commissions.....		12,735	15,300
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....			2,271
12. Taxes payable: Real estate.....		1,046	1,042
Federal Income.....			
Premium.....		84	-
Other.....		1,386	596
13. Other unpaid expenses.....		139	783
14. Premiums collected for other companies - not remitted.....		2,529	2,559
15. Premiums received in advance.....		5,425	2,355
16.* Unearned premium reserve.....		379,000	381,000
17. Service Fees and Employee Benefits Payable.....			
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 452,819	\$ 443,122
20. Surplus.....		\$ 3,496,186	\$ 3,637,186
21. Total liabilities and surplus.....		\$ 3,949,005	\$ 4,080,308

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

*Method of calculation: 40% method.

HISTORICAL INFORMATION

	2018	2017	2016	2015	2014
Gross Premium					
Fire.....	497,485	493,336	496,690	506,665	514,141
Windstorm.....	463,589	459,308	459,645	473,764	465,711
Crop Hail.....	0	0	0	0	0
Total.....	961,074	952,644	956,335	980,429	979,852
Net Premium Written					
Fire.....	492,933	488,595	491,259	497,717	505,385
Windstorm.....	463,589	459,308	459,645	473,764	465,711
Crop Hail.....	0	0	0	0	0
Total.....	956,522	947,903	950,904	971,481	971,096
Total Net of Agg.....	551,591	554,727	568,600	593,281	596,263
Gross Losses Paid					
Fire.....	278,084	417,225	186,238	75,599	77,705
Windstorm.....	136,486	633,639	68,730	410,212	423,870
Crop Hail.....	0	0	0	0	0
Total.....	414,570	1,050,864	254,968	485,811	501,575
Net Losses Paid					
Fire.....	278,084	417,225	186,238	75,599	75,587
Windstorm.....	136,486	633,639	68,730	410,212	423,870
Crop Hail.....	0	0	0	0	0
Total.....	414,570	1,050,864	254,968	485,811	499,457
Total Net of Agg.....	305,031	612,571	215,902	23,191	488,593
Loss Percentage (Direct)					
Fire Losses/Fire Prem.....	56 %	85 %	37 %	15 %	15 %
Windstorm Losses/Windstorm Prem.....	29 %	138 %	15 %	87 %	91 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	43 %	110 %	27 %	50 %	51 %
Loss Percentage (Net)					
Fire Losses/Fire Prem.....	56 %	85 %	38 %	15 %	15 %
Windstorm Losses/Windstorm Prem.....	29 %	138 %	15 %	87 %	91 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	43 %	111 %	27 %	50 %	51 %
Total Net Agg Losses/Total Net Ag Prem	55 %	110 %	38 %	4 %	82 %
Balance Sheet Items					
Total Admitted Assets.....	3,949,005	4,080,308	4,353,747	4,277,712	4,055,943
Liabilities.....	452,821	443,122	560,347	565,833	495,350
Surplus.....	3,496,184	3,637,186	3,793,400	3,711,879	3,560,593
Bonds.....	2,771,136	2,812,229	2,833,576	2,857,088	2,895,380
Stocks.....	513,871	517,656	526,257	521,099	517,216
Real Estate.....	10,633	14,579	15,057	15,535	16,145
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	13,351	14,968	6,791	10,082	1,133
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	379,000	381,000	379,000	390,000	394,000
Balance Sheet Percentages					
Bonds/Admitted Assets.....	70 %	69 %	65 %	67 %	71 %
Stocks/Admitted Assets.....	13 %	13 %	12 %	12 %	13 %
Real Estate/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
Unpaid Prem (line 8.2)/Admitted Assets.	0 %	0 %	0 %	0 %	0 %
Agents' Balances/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
Income/Disbursement Items					
Total Income.....	694,704	706,584	720,088	750,780	775,688
Total Disbursements.....	738,610	1,043,317	652,105	469,904	931,756
Operating Expense.....	359,523	364,640	369,986	357,139	364,647
Commissions.....	133,617	132,424	132,656	136,622	135,765
Investment Income.....	97,326	105,653	101,699	104,130	129,011
Salaries (lines 14-17).....	118,616	117,679	118,217	102,366	104,986
Other					
Gross Risk in Force.....	221,585,317	225,451,922	228,212,493	217,741,685	219,907,618
Number of Policies.....	523	546	567	526	629
Operating Expense/Net Premium.....	65 %	66 %	65 %	60 %	61 %