

**December 31, 2018 - Annual Statement**

*Iowa Company Number:* 0135

**German Farmers Mutual Insurance Association**

Bruce Koerselman  
116 N. Main Ave.  
Sioux Center IA 51250

**DECEMBER 31, 2018**

1.	Ledger Assets, December 31 of previous year, Total, column 1, page 4.....					\$3,574,083
<b>INCOME - INCREASES IN LEDGER ASSETS</b>						
<b>PREMIUMS</b>						
	(1)	(2)	(3)	(4)		
	Direct Premium	Reinsurance Premiums Assumed	Specific Reinsurance Premiums Ceded	Net Premiums (1+2-3=4)		
2.	Fire.....	\$1,379,818	\$0	\$625	\$1,379,193	
3.	Windstorm.....	1,077,494	0	625	1,076,869	
4.	Crop Hail.....	0	0	0	0	
5.	Homeowners Assumed.....	xxxxxxxxxxxxxxxxxxxx	0	0	0	
6.	Totals.....	\$2,457,312	\$0	\$1,250	\$2,456,062	
7.	Aggregate excess loss reinsurance paid.....				758,493	
8.	Total net assessments, premiums and fees (line 6, col. 4 - line 7 = line 8).....					\$1,697,569
9.	Net interest received on bonds.....				79,291	
10.	Increase in adjustment of bonds \$ 655 , less \$ 9,113 decrease in adjustment of bonds.....				(8,458)	
11.	Dividends received.....				77,217	
12.	Interest received on bank deposits (schedule C-2, column 7).....				0	
13.	Interest received on mortgage loans (schedule D, column 6).....				0	
14.	Other interest.....				0	
15.	Profit on sale of investment.....				51,460	
16.	Rents received* .....				2,865	
17.	Total income from investments (items 9 through 16).....					\$202,375
18.	Borrowed money.....				0	
19.	Premiums collected for other companies (less refunds).....				0	
20.	Checks charged off.....				0	
21.	Increase in ledger liabilities.....				0	
22.	Underwriting expense reimbursement.....				11,416	
23.	Federal income tax refund.....				0	
24.	Miscellaneous income.....				0	
25.	.....					
26.	.....					
27.	Total (items 18 through 26).....					\$11,416
28.	Total income (items 8, 17, and 27).....					\$1,911,360
29.	Total assets and income (item 1 plus item 28).....					\$5,485,443

\*Includes \$1,200 for association's occupancy of its own buildings.

**DECEMBER 31, 2018**

1.	Amount brought forward from line 29, page 2.....				\$5,485,443
<b>DISBURSEMENTS - DECREASES IN LEDGER ASSETS</b>					
		(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsurance Recovered	(4) Net Losses Paid (1+2-3=4)
2.	Fire.....	\$593,225	\$0	\$0	\$593,225
3.	Windstorm.....	618,181	0	0	618,181
4.	Crop Hail.....	0	0	0	0
5.	Homeowners Assumed.....	XXXXXXXXXXXXXXXXXXXX	0		0
6.	Totals.....	\$1,211,406	\$0	\$0	\$1,211,406
7.	Received from aggregate excess loss reinsurance.....				131,301
8.	Total of all net losses (line 6, col. 4 - line 7 = line 8).....				\$1,080,105
<b>OPERATING EXPENSE</b>					
9.	Loss Adjustment Expenses.....				46,480
10.	Commissions.....				367,639
11.	Advertising.....				10,860
12.	Boards, bureaus and associations.....				16,435
13.	Inspection and loss prevention.....				12,083
14.	Salaries of officers.....				59,000
15.	Expenses of officers.....				5,100
16.	Salaries of office employees.....				67,318
17.	Employee welfare.....				83,782
18.	Insurance.....				10,238
19.	Directors' compensation.....				7,600
20.	Directors' expenses.....				0
21.	Rent and rent items.....				1,360
22.	Equipment.....				6,005
23.	Printing, stationery and supplies.....				5,535
24.	Postage and telephone.....				13,664
25.	Legal and auditing.....				21,300
26.	State insurance taxes March 1.....		318		
	June 1	13,006	August 15	13,005	26,329
27.	Insurance Division licenses and fees.....				545
28.	Payroll taxes.....				13,533
29.	All other taxes (excluding Federal income).....				0
30.	Real estate expenses.....				9,643
31.	Real estate taxes.....				7,762
32.	Interest on borrowed money.....				0
33.	Miscellaneous.....				4,097
	a. Travel.....				4,952
	b. Data processing.....				16,868
	c. Meals and entertainment.....				2,682
	d. Management fee.....				23,069
	e. Donations.....				7,623
	f. Automobile Expense.....				5,523
34.	.....				
35.	Total operating expense (items 9 through 34).....				\$857,025
<b>NON-OPERATING EXPENSE</b>					
36.	Borrowed money repaid.....				0
37.	Depreciation on real estate.....				15,516
38.	Loss on sale of investments.....				3,054
39.	Federal income tax Prior year	0	Current year	0	0
40.	Premium collections transmitted to other companies.....				0
41.	Commission paid agents for other companies.....				0
42.	Decrease in ledger liabilities.....				133,578
43.	.....				
44.	Total non-operating expense (items 36 through 43).....				\$152,148
45.	Total disbursements (items 8, 35 and 44).....				\$2,089,278
46.	Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4.....				\$3,396,165

**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).....	\$ 1,881,200	\$ 0	\$ 0	\$1,881,200	\$1,924,624
2. Stocks (schedule A - part 2).....	1,153,399	0	95,445	1,057,954	1,514,631
3. Bank Balances					
3.1 Subject to check (C-1).....	161,759			161,759	103,345
3.2 On interest (C-2).....	0			0	0
4. Mortgage Loans (schedule D)					
4.1 First liens.....				0	0
4.2 Other than first.....				0	0
5. Collateral loans (schedule E).....				0	0
6. Real estate (schedule F).....	181,259		50,968	130,291	144,982
7. Cash in office.....	0			0	0
8. Unpaid Premiums					
8.1 Due before November 1.....	0	2,096	2,096	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
8.2 Due after November 1.....	0	10,258	0	10,258	18,121
9. Bills receivable.....				xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
10. Agents' balances.....				0	0
11. Reinsurance receivable on paid losses.....	0	0		0	0
12. Accrued interest.....	xxxxxxxxxxxxxxxxxxxx	18,377		18,377	22,765
13. Accrued rent due.....	xxxxxxxxxxxxxxxxxxxx			0	0
14. Equipment and furniture.....	15,013		15,013	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
15. Supplies.....				xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
16. Automobiles.....	3,535		3,535	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
17. Cash surrender value of life ins.....	0			0	0
18. Federal income tax recoverable.....		20,719	20,719	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
19. Electronic data processing equipment.....	0		0	0	0
20. Overwrite fee receivable.....	0	799	0	799	791
21. Subrogation Receivable.....	0	0	0	0	0
22. Totals.....	\$3,396,165	\$ 52,249	\$ 187,776	\$3,260,638	\$3,729,259

**LIABILITIES - DECEMBER 31, 2018**

		Current Year	Prior Year
1.	Unpaid claims (reported).....	\$ 115,500	
2.	Unpaid claims (incurred but not reported).....	5,000	
3.	Total unpaid losses.....	120,500	
4.	Less: reinsurance recoverable on unpaid losses	0	
5.	Net unpaid claims.....	\$120,500	\$510,775
6.	Unpaid adjusting expenses.....	1,000	5,000
7.	Ceded reinsurance balances payable.....	(20,410)	(1,659)
8.	Unpaid salaries and commissions.....	29,792	35,866
9.	Borrowed money.....	0	129,675
10.	Interest due on borrowed money.....	0	0
11.	Amounts withheld for the account of others.....	5,000	4,802
12.	Taxes payable:		
	Real estate.....	7,826	7,698
	Federal income.....	0	0
	Premium.....	(1,444)	318
	Other.....	0	0
13.	Other unpaid expenses.....	3,978	2,328
14.	Premiums collected for other companies - ... not remitted.....	12,286	11,488
15.	Premiums received in advance.....	37,484	33,848
*16.	Unearned premium reserve.....	820,446	872,805
17.	.....		
18.	.....		
19.	Total liabilities.....	\$ 1,016,458	\$ 1,612,944
20.	Surplus.....	\$ 2,244,180	\$ 2,116,315
21.	Total liabilities and surplus.....	\$ 3,260,638	\$ 3,729,259

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

\* Method of calculation: Actual; Daily Pro-Rata

## HISTORICAL INFORMATION

	2018	2017	2016	2015	2014
<b>Gross Premium</b>					
Fire	1,379,818	1,497,695	1,486,732	1,416,750	1,398,935
Windstorm	1,077,494	1,106,372	1,086,482	1,029,313	1,010,321
Crop Hail	0	0	0	0	0
<b>Total</b>	<b>2,457,312</b>	<b>2,604,067</b>	<b>2,573,214</b>	<b>2,446,063</b>	<b>2,409,256</b>
<b>Net Premiums Written</b>					
Fire	1,379,193	1,494,770	1,482,832	1,411,963	1,397,134
Windstorm	1,076,869	1,103,447	1,082,582	1,024,525	1,008,521
Crop Hail	0	0	0	0	0
<b>Total</b>	<b>2,456,062</b>	<b>2,598,217</b>	<b>2,565,414</b>	<b>2,436,488</b>	<b>2,405,655</b>
<b>Total Net of Agg</b>	<b>1,697,569</b>	<b>1,722,651</b>	<b>1,830,537</b>	<b>1,671,397</b>	<b>1,683,899</b>
<b>Gross Losses Paid</b>					
Fire	593,225	536,687	676,468	966,289	796,187
Windstorm	618,181	850,975	1,363,724	224,727	473,992
Crop Hail	0	0	0	0	0
<b>Total</b>	<b>1,211,406</b>	<b>1,387,662</b>	<b>2,040,192</b>	<b>1,191,016</b>	<b>1,270,179</b>
<b>Net Losses Paid</b>					
Fire	593,225	536,687	676,468	966,289	796,187
Windstorm	618,181	850,975	1,363,724	224,727	473,992
Crop Hail	0	0	0	0	0
<b>Total</b>	<b>1,211,406</b>	<b>1,387,662</b>	<b>2,040,192</b>	<b>1,191,016</b>	<b>1,270,179</b>
<b>Total Net of Agg</b>	<b>1,080,105</b>	<b>1,067,337</b>	<b>1,370,709</b>	<b>680,220</b>	<b>1,142,712</b>
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem	43.0%	35.8%	45.5%	68.2%	56.9%
Windstorm Losses/Windstorm Prem	57.4%	76.9%	125.5%	21.8%	46.9%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Losses/Total Prem</b>	<b>49.3%</b>	<b>53.3%</b>	<b>79.3%</b>	<b>48.7%</b>	<b>52.7%</b>
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem	43.0%	35.9%	45.6%	68.4%	57.0%
Windstorm Losses/Windstorm Prem	57.4%	77.1%	126.0%	21.9%	47.0%
Crop Hail Losses/Crop Hail Prem	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Losses/Total Prem</b>	<b>49.3%</b>	<b>53.4%</b>	<b>79.5%</b>	<b>48.9%</b>	<b>52.8%</b>
<b>Total Net Agg Losses/Total Net Agg Prem</b>	<b>63.6%</b>	<b>62.0%</b>	<b>74.9%</b>	<b>40.7%</b>	<b>67.9%</b>
<b>Balance Sheet Items</b>					
Total Admitted Assets	3,260,638	3,729,259	3,528,614	3,796,831	3,668,209
Liabilities	1,016,458	1,612,944	1,251,695	1,119,084	1,236,932
Surplus	2,244,180	2,116,315	2,276,919	2,677,747	2,431,277
Bonds	1,881,200	1,924,624	2,025,619	2,081,177	1,904,975
Stocks	1,057,954	1,514,631	1,209,659	1,084,684	1,232,291
Real Estate	130,291	144,982	212,290	195,364	192,396
Unpaid Premium (line 8.1)	0	0	0	0	0
Unpaid Premium (line 8.2)	10,258	18,121	15,402	26,740	9,627
Agents' Balances	0	0	0	0	0
Unearned Premium	820,446	872,805	859,863	834,539	813,287
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets	57.7%	51.6%	57.4%	54.8%	51.9%
Stocks/Admitted Assets	32.4%	40.6%	34.3%	28.6%	33.6%
Real Estate/Admitted Assets	4.0%	3.9%	6.0%	5.1%	5.2%
Unpaid Prem (line 8.2)/Admitted Assets	0.3%	0.5%	0.4%	0.7%	0.3%
Agents' Balances/Admitted Assets	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Income/Disbursement Items</b>					
Total Income	1,911,360	2,026,305	1,992,497	1,836,109	1,893,213
Total Disbursements	2,089,278	1,964,304	2,267,488	1,561,789	1,982,951
Operating Expense	857,025	864,432	858,859	838,378	826,381
Commissions	367,639	389,742	384,760	365,963	360,382
Investment Income	202,375	158,346	149,793	154,059	169,390
Salaries (lines 14-17)	215,200	180,064	171,356	169,765	168,898
<b>Other</b>					
Gross Risk in Force	558,592,238	655,274,453	672,997,258	642,269,300	618,993,146
Number of Policies	1,348	1,472	1,542	1,535	1,516
Operating Expense/Net Premium	34.9%	33.3%	33.5%	34.4%	34.4%