

December 31, 2019 - Annual Statement

Iowa Company Number: 0093

Lee County Mutual Insurance Association

April Johnson

322 4th St., Box 207

West Point IA 52656

DECEMBER 31, 2019

1.	Ledger Assets, December 31 of previous year, Total, column 1, page 4.....					\$4,200,706
INCOME - INCREASES IN LEDGER ASSETS						
PREMIUMS						
	(1)	(2)	(3)	(4)		
	Direct	Reinsurance	Specific	Net		
	Premiums	Premiums	Reinsurance	Premiums		
		Assumed	Premiums Ceded	(1+2+3=4)		
2.	Fire.....	\$466,232	\$0	\$162	\$466,070	
3.	Windstorm.....	434,315	0	162	434,153	
4.	Crop Hail.....	0				
5.	Homeowners assumed.....	XXXXXXXXXXXXXXXXXX	0		0	
6.	Totals.....	\$900,547	\$0	\$324	\$900,223	
7.	Aggregate excess loss reinsurance paid.....				183,447	
8.	Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8).....					\$716,776
9.	Net interest received on bonds.....				55,955	
10.	Increase in adjustment of bonds \$ 273 , less \$ 1,028 decrease in adjustment of bonds.....				(755)	
11.	Dividends received.....				143,115	
12.	Interest received on bank deposits (schedule C-2, column 7).....				1,989	
13.	Interest received on mortgage loans (schedule D, column 6).....				0	
14.	Other interest.....				0	
15.	Profit on sale of investment.....				1,393	
16.	Rents received*				3,600	
17.	Total income from investments (items 9 through 16).....					\$205,297
18.	Borrowed money.....				0	
19.	Premiums collected for other companies (less refunds).....				18,956	
20.	Checks charged off.....				0	
21.	Increase in ledger liabilities.....				0	
22.	Underwriting expense reimbursement.....				0	
23.	Federal income tax refund.....				0	
24.	Miscellaneous income.....				0	
25.					
26.					
27.	Total (items 18 through 26).....					\$18,956
28.	Total income (items 8, 17, and 27).....					\$941,029
29.	Total assets and income (item 1 plus item 28).....					\$5,141,735

*Includes \$3,600 for association's occupancy of its own buildings

DECEMBER 31, 2019

1.	Amount brought forward from line 29, page 2.....				\$5,141,735
DISBURSEMENTS - DECREASES IN LEDGER ASSETS					
		(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsurance Recovered	(4) Net Losses Paid (1+2-3=4)
2.	Fire.....	\$307,268	\$0	\$0	\$307,268
3.	Windstorm.....	94,308	0	0	94,308
4.	Crop Hail.....	0	0	0	0
5.	Homeowners Assumed..	XXXXXXXXXXXXXXXXXXXX	0		0
6.	Totals.....	\$401,576	\$0	\$0	\$401,576
7.	Received from aggregate excess loss reinsurance.....				\$1,010
8.	Total of all net losses (line 6, col. 4 - line 7 = line 8).....				\$400,566
OPERATING EXPENSE					
9.	Loss Adjustment Expenses.....				\$14,085
10.	Commissions.....				128,165
11.	Advertising.....				9,540
12.	Boards, bureaus and associations.....				6,471
13.	Inspection and loss prevention.....				4,084
14.	Salaries of officers.....				71,500
15.	Expenses of officers.....				0
16.	Salaries of office employees.....				0
17.	Employee welfare.....				4,819
18.	Insurance.....				12,875
19.	Directors' compensation.....				9,250
20.	Directors' expenses.....				0
21.	Rent and rent items.....				3,600
22.	Equipment.....				8,083
23.	Printing, stationery and supplies.....				6,946
24.	Postage and telephone.....				5,512
25.	Legal and auditing.....				16,098
26.	State insurance taxes March 1.....		0		
	June 1.....	3,975			
	August 15.....			4,174	8,149
27.	Insurance Division licenses and fees.....				660
28.	Payroll taxes.....				0
29.	All other taxes (excluding Federal income).....				0
30.	Real estate expenses.....				0
31.	Real estate taxes.....				960
32.	Interest on borrowed money.....				0
33.	Miscellaneous.....				6,899
	a. Annual meeting & conventions.....				0
	b. Donations & contributions.....				2,437
	c. Data processing expense.....				13,600
	d. Investment Expense.....				2,199
34.				
35.	Total operating expense (items 9 through 34).....				\$335,932
NON-OPERATING EXPENSE					
36.	Borrowed money repaid.....				\$0
37.	Depreciation on real estate.....				2,379
38.	Loss on sale of investments.....				1,717
39.	Federal income tax Prior year.....	26,963	Current year.....	10,320	37,283
40.	Premium collections transmitted to other companies.....				12,814
41.	Commissions paid agents for other companies.....				0
42.	Decrease in ledger liabilities.....				2,175
43.				
44.	Total non-operating expense (items 36 through 43).....				\$56,368
45.	Total disbursements (items 8, 35 and 44).....				\$792,866
46.	Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4.....				\$4,348,869

ASSETS - DECEMBER 31, 2019

	(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).....	\$1,749,680	\$0	\$0	\$1,749,680	\$1,652,739
2. Stocks (schedule A - part 2).....	2,267,485	958,519	1,355	3,224,649	2,643,448
3. Bank Balances					
3.1 Subject to check (C-1).....	24,193	0	0	24,193	63,150
3.2 On interest (C-2).....	160,465	0	0	160,465	158,476
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).....	42,522	0	0	42,522	44,901
7. Cash in office.....	0			0	0
8. Unpaid Premiums					
8.1 Due before November 1.....	(2,990)	0	(2,990)	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
8.2 Due after November 1.....	104,181	0	84,211	19,970	37,438
9. Bills receivable.....				xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
10. Agents' balances.....				0	0
11. Reinsurance receivable on paid losses.....	0	0	0	0	0
12. Accrued interest.....	xxxxxxxxxxxxxxxxxx	13,332	0	13,332	13,552
13. Accrued rent due.....	xxxxxxxxxxxxxxxxxx			0	0
14. Equipment and furniture.....	0	0	0	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
15. Supplies.....				xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
16. Automobiles.....	0	0	0	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
17. Cash surrender value of life ins.....	0	0	0	0	0
18. Federal income tax recoverable.....	0	0	0	0	0
19. Electronic data processing equipment.....	3,333	0	0	3,333	0
20. Other assets.....	0	5,701	0	5,701	5,376
21. Prepaid reinsurance.....	0	0	0	0	0
22. Totals.....	\$4,348,869	\$977,552	\$82,576	\$5,243,845	\$4,619,080

LIABILITIES - DECEMBER 31, 2019

		Current Year	Prior Year
1.	Unpaid claims (reported).....	\$82,153	
2.	Unpaid claims (incurred but not reported).....	0	
3.	Total unpaid losses.....	82,153	
4.	Less: reinsurance recoverable on unpaid losses.	0	
5.	Net unpaid claims.....	\$82,153	\$13,500
6.	Unpaid adjusting expenses.....	2,225	1,160
7.	Ceded reinsurance balances payable.....	15,847	14,935
8.	Unpaid salaries and commissions.....	10,841	13,343
9.	Borrowed money.....	0	0
10.	Interest due on borrowed money.....	0	0
11.	Amounts withheld for the account of others.....	3,051	3,778
12.	Taxes payable:		
	Real estate.....	480	495
	Federal income.....	4,000	23000
	Premium.....	656	(199)
	Other.....	0	0
13.	Other unpaid expenses.....	5,310	9,193
14.	Premiums collected for other companies - not not remitted.....	1,972	1,059
15.	Premiums received in advance.....	982	349
*16.	Unearned premium reserve.....	345,244	347,253
17.		
18.		
19.	Total liabilities.....	\$472,761	\$427,866
20.	Surplus.....	\$4,771,084	\$4,191,214
21.	Total liabilities and surplus.....	\$5,243,845	\$4,619,080

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

* Method of calculation: 40% Method

HISTORICAL INFORMATION

	2019	2018	2017	2016	2015
Gross Premium					
Fire.	466,232	432,162	441,763	415,021	406,153
Windstorm.	434,315	402,724	413,035	388,289	380,412
Crop Hail.	0	0	0	0	0
Total.	900,547	834,886	854,798	803,310	786,565
Net Premiums Written					
Fire.	466,070	432,058	441,659	414,943	406,153
Windstorm.	434,153	402,620	412,931	388,211	380,412
Crop Hail.	0	0	0	0	0
Total.	900,223	834,678	854,590	803,154	786,565
Total Net of Agg.	716,776	663,552	697,250	661,313	647,535
Gross Losses Paid					
Fire.	307,268	238,145	99,533	328,443	144,643
Windstorm.	94,308	194,013	328,136	12,097	129,002
Crop Hail.	0	0	0	0	0
Total.	401,576	432,158	427,669	340,540	273,645
Net Losses Paid					
Fire.	307,268	238,145	99,533	328,443	144,643
Windstorm.	94,308	194,013	328,136	12,097	129,002
Crop Hail.	0	0	0	0	0
Total.	401,576	432,158	427,669	340,540	273,645
Total Net of Agg.	400,566	415,735	427,669	310,338	237,797
Loss Percentage (Direct)					
Fire Losses/Fire Prem.	66%	55%	23%	79%	36%
Windstorm Losses/Windstorm Prem.	22%	48%	79%	3%	34%
Crop Hail Losses/Crop Hail Prem.	0%	0%	0%	0%	0%
Total Losses/Total Prem.	45%	52%	50%	42%	35%
Loss Percentage (Net)					
Fire Losses/Fire Prem.	66%	55%	23%	79%	36%
Windstorm Losses/Windstorm Prem.	22%	48%	79%	3%	34%
Crop Hail Losses/Crop Hail Prem.	0%	0%	0%	0%	0%
Total Losses/Total Prem.	45%	52%	50%	42%	35%
Total Net Agg Losses/Total Net Agg Prem. ...	56%	63%	61%	47%	37%
Balance Sheet Items					
Total Admitted Assets.	5,243,845	4,619,080	4,782,614	4,384,622	4,113,904
Liabilities.	472,761	427,866	352,277	380,021	366,021
Surplus.	4,771,084	4,191,214	4,430,337	4,004,601	3,747,883
Bonds.	1,749,680	1,652,739	1,607,396	1,532,455	1,597,751
Stocks.	3,224,649	2,643,448	2,819,551	2,445,988	2,105,309
Real Estate.	42,522	44,901	47,781	50,660	53,540
Unpaid Premium (line 8.1).	0	0	0	0	0
Unpaid Premium (line 8.2).	19,970	37,438	13,772	37,689	4,842
Agents' Balances.	0	0	0	0	0
Unearned Premium.	345,244	347,253	317,479	329,617	311,468
Balance Sheet Percentages					
Bonds/Admitted Assets.	33%	36%	34%	35%	39%
Stocks/Admitted Assets.	61%	57%	59%	56%	51%
Real Estate/Admitted Assets.	1%	1%	1%	1%	1%
Unpaid Prem (line 8.2)/Admitted Assets.	0%	1%	0%	1%	0%
Agents' Balances/Admitted Assets.	0%	0%	0%	0%	0%
Income/Disbursement Items					
Total Income.	941,029	1,053,835	931,962	831,720	867,751
Total Disbursements.	792,866	800,246	825,148	687,591	634,110
Operating Expense.	335,932	341,185	281,434	283,155	278,763
Commissions.	128,165	125,734	128,573	120,951	118,142
Investment Income.	205,297	277,355	219,777	154,455	206,376
Salaries (lines 14-17).	76,319	74,404	49,500	48,500	48,500
Other					
Gross Risk in Force.	251,289,031	240,600,996	229,031,798	218,980,647	201,524,404
Number of Policies.	734	722	717	708	702
Operating Expense/Net Premium.	47%	51%	40%	43%	43%