

December 31, 2019 - Annual Statement

Iowa Company Number: 0084

Lincoln Mutual Insurance Association

Phyllis Peterson
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DECEMBER 31, 2019

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

\$ 1,407,318

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.....	\$ 224,481	\$	\$ 224,481
3. Windstorm.....	220,502		220,502
4. Crop Hail.....			
Homeowner 5. Assumed.....	XXXXXXX		
6. Totals.....	\$ 444,983	\$	\$ 444,983

7. Aggregate excess loss reinsurance paid..... 132,262

8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)..... \$ 312,721

9. Net interest received on bonds..... 29,056

10. Increase in adjustment of bonds 769, less
3,715 decrease in adjustment of bonds..... (2,946)

11. Dividends received..... 1,323

12. Interest received on bank deposits (schedule C-2, column 7)..... 5,430

13. Interest received on mortgage loans (schedule D, column 6).....

14. Other interest.....

15. Profit on sale of investment.....

16. Rents received*..... 4,200

17. Total income from investments (items 9 through 16)..... \$ 37,063

18. Borrowed money.....

19. Premiums collected for other companies (less refunds)..... 27,413

20. Checks charged off.....

21. Increase in ledger liabilities..... 7,400

22. Underwriting expense reimbursement.....

23. Federal income tax refund.....

24. Miscellaneous income.....

25. Crop Hail Contingency Commission.....

26.

27. Total (items 18 through 26)..... \$ 34,813

28. Total income (items 8, 17, and 27)..... \$ 384,597

29. Total assets and income (item 1 plus item 28)..... \$ 1,791,915

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

DECEMBER 31, 2019

1. Amount brought forward from line 29 page 2..... \$ 1,791,915

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.....	\$ 198,608	\$	\$ 37,506	\$ 161,102
3. Windstorm.....	20,566			20,566
4. Crop Hail				
5. Homeowners Assumed.....	XXXXXXXXXX			
6. Totals.....	\$ 219,174	\$	\$ 37,506	\$ 181,668

7. Received from aggregate excess loss reinsurance.....
 8. Total of all net losses (line 6, column 4 - line 7 = line 8)..... \$ 181,668

OPERATING EXPENSE

9. Loss Adjustment Expenses.....	1,550
10. Commissions.....	56,463
11. Advertising.....	1,975
12. Boards, bureaus and associations.....	3,546
13. Inspection and loss prevention.....	427
14. Salaries of officers.....	61,327
15. Expenses of officers.....	
16. Salaries of office employees.....	12,193
17. Employee welfare.....	94
18. Insurance.....	6,962
19. Directors' compensation.....	2,550
20. Directors' expenses.....	2,412
21. Rent and rent items.....	1,324
22. Equipment.....	4,684
23. Printing, stationery and supplies.....	125
24. Postage and telephone	346
25. Legal and auditing.....	3,375
26. State insurance taxes (March 1, 5) (June 1, 2,098) (August 15, 2,098)	4,201
27. Insurance Division licenses and fees.....	100
28. Payroll taxes.....	5,277
29. All other taxes (excluding Federal income).....	260
30. Real estate expenses.....	3,693
31. Real estate taxes.....	772
32. Interest on borrowed money.....	
33. Miscellaneous.....	1,414
a. Annual Meeting.....	
b. Donations/Contributions.....	800
c. Travel and Travel Items.....	
d. Over and Short.....	162
34.	
35. Total operating expense (items 9 through 34).....	\$ 176,032

NON-OPERATING EXPENSE

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	1,918
38. Loss on sale of investments.....	
39. Federal income tax Prior year, 0 Current year, 0	
40. Premium collections transmitted to other companies.....	17,782
41. Commission paid agents for other companies.....	5,050
42. Decrease in ledger liabilities.....	
43. Federal income tax penalty/interest.....	
44. Total non-operating expense (items 36 through 43).....	24,750
45. Total disbursements (items 8, 35, and 44).....	\$ 382,450
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4... ..	\$ 1,409,465

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).....	\$ 888,536	\$	\$	\$ 888,536	\$ 891,482
2. Stocks (schedule A-part 2).....	83,599	8,015		91,613	61,241
3. Bank Balances					
3.1 Subject to check(C-1).....	122,739			122,739	80,062
3.2 On interest (C-2).....	254,121			254,121	319,378
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	58,703			58,703	60,621
7. Cash in office.....	300			300	
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.....		4,643		4,643	1,322
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.....					
12. Accrued interest.....	X X X X X X	7,294		7,294	6,857
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	1,225		1,225	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.....	242			242	726
20. Service fees & misc receivables..					4,015
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 1,409,465	\$ 19,952	\$ 1,225	\$ 1,428,191	\$ 1,425,704

*Bonds are amortized through 12/31/2019.

LIABILITIES - DECEMBER 31, 2019

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 2,000		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	2,000		
4. Less: reinsurance recoverable on unpaid losses.....			
5. Net unpaid claims.....		\$ 2,000	\$ 5,630
6. Unpaid adjusting expenses.....			800
7. Ceded reinsurance balances payable.....		11,390	11,152
8. Unpaid salaries and commissions.....		12,436	4,108
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		1,380	972
12. Taxes payable: Real estate.....		772	776
Federal Income.....			
Premium.....		254	5
Other.....		480	332
13. Other unpaid expenses.....		7,110	344
14. Premiums collected for other companies - not remitted.....		1,269	1,143
15. Premiums received in advance.....		24,056	22,959
16.* Unearned premium reserve.....		179,000	169,000
17. Service Fees and Employee Benefits Payable.....		7,400	7,400
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 247,547	\$ 224,621
20. Surplus.....		\$ 1,180,644	\$ 1,201,083
21. Total liabilities and surplus.....		\$ 1,428,191	\$ 1,425,704

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

*Method of calculation: 40% method.

HISTORICAL INFORMATION

	2019	2018	2017	2016	2015
Gross Premium					
Fire.....	224,481	209,758	209,494	216,391	242,225
Windstorm.....	220,502	209,758	209,495	216,392	242,224
Crop Hail.....	0	0	0	0	0
Total.....	444,983	419,516	418,989	432,783	484,449
Net Premium Written					
Fire.....	224,481	209,758	209,494	216,391	242,225
Windstorm.....	220,502	209,758	209,495	216,392	242,224
Crop Hail.....	0	0	0	0	0
Total.....	444,983	419,516	418,989	432,783	484,449
Total Net of Agg.....	312,721	295,056	298,442	315,476	383,625
Gross Losses Paid					
Fire.....	198,608	241,185	59,644	87,537	220,429
Windstorm.....	20,566	16,430	120,429	50,729	22,860
Crop Hail.....	0	0	0	0	0
Total.....	219,174	257,615	180,073	138,266	243,289
Net Losses Paid					
Fire.....	161,102	184,300	59,644	87,537	181,383
Windstorm.....	20,566	16,430	120,429	50,729	22,860
Crop Hail.....	0	0	0	0	0
Total.....	181,668	200,730	180,073	138,266	204,243
Total Net of Agg.....	181,668	200,730	180,073	131,518	204,243
Loss Percentage (Direct)					
Fire Losses/Fire Prem.....	88 %	115 %	28 %	40 %	91 %
Windstorm Losses/Windstorm Prem.....	9 %	8 %	57 %	23 %	9 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	49 %	61 %	43 %	32 %	50 %
Loss Percentage (Net)					
Fire Losses/Fire Prem.....	72 %	88 %	28 %	40 %	75 %
Windstorm Losses/Windstorm Prem.....	9 %	8 %	57 %	23 %	9 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	41 %	48 %	43 %	32 %	42 %
Total Net Agg Losses/Total Net Ag Prem	58 %	68 %	60 %	42 %	53 %
Balance Sheet Items					
Total Admitted Assets.....	1,428,191	1,425,703	1,511,758	1,566,601	1,569,930
Liabilities.....	247,547	224,620	271,445	234,868	251,834
Surplus.....	1,180,644	1,201,083	1,240,313	1,331,733	1,318,096
Bonds.....	888,536	891,482	790,873	622,210	206,459
Stocks.....	91,613	61,241	35,535	24,169	14,325
Real Estate.....	58,703	60,621	57,594	59,388	61,217
Unpaid Premium(line 8.1).....	0	0	0	648	0
Unpaid Premium(line 8.2).....	4,643	1,322	2,725	4,021	2,765
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	179,000	169,000	170,000	171,000	195,000
Balance Sheet Percentages					
Bonds/Admitted Assets.....	62 %	63 %	52 %	40 %	13 %
Stocks/Admitted Assets.....	6 %	4 %	2 %	2 %	1 %
Real Estate/Admitted Assets.....	4 %	4 %	4 %	4 %	4 %
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.....	384,597	354,702	355,789	368,195	430,965
Total Disbursements.....	382,451	440,679	413,727	366,743	450,813
Operating Expense.....	176,033	211,212	206,683	208,256	219,074
Commissions.....	56,463	62,056	63,021	61,197	68,897
Investment Income.....	37,063	34,383	33,272	28,189	23,083
Salaries (lines 14-17).....	73,614	64,417	61,654	69,959	77,145
Other					
Gross Risk in Force.....	131,341,648	124,236,120	125,572,151	124,368,962	106,000,004
Number of Policies.....	389	393	418	423	414
Operating Expense/Net Premium.....	56 %	72 %	69 %	66 %	57 %