

December 31, 2018 - Annual Statement

Iowa Company Number: 0101

Louisa Mutual Insurance Association

Trina Durham
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DECEMBER 31, 2018

1. Ledger Assets, December 31 of previous year, Total column 1, page 4..... \$ 4,239,242

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.....	\$ 576,737	\$	\$ 576,737
3. Windstorm.....	549,559		549,559
4. Crop Hail.....			
Homeowner			
5. Assumed.....	XXXXXXX		
6. Totals.....	\$ 1,126,296	\$	\$ 1,126,296

7. Aggregate excess loss reinsurance paid..... 285,481
 8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)..... \$ 840,815

9. Net interest received on bonds..... 73,015
 10. Increase in adjustment of bonds 280, less
5,587 decrease in adjustment of bonds..... (5,307)
 11. Dividends received..... 23,878
 12. Interest received on bank deposits (schedule C-2, column 7)..... 7,810
 13. Interest received on mortgage loans (schedule D, column 6)..... _____
 14. Other interest..... _____
 15. Profit on sale of investment..... 53,223
 16. Rents received*..... 16,200
 17. Total income from investments (items 9 through 16)..... \$ 168,819

18. Borrowed money..... _____
 19. Premiums collected for other companies (less refunds)..... 75,103
 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)..... \$ 75,103
 28. Total income (items 8, 17, and 27)..... \$ 1,084,737
 29. Total assets and income (item 1 plus item 28)..... \$ 5,323,979

*Includes \$7,200 for association's occupancy of its own buildings.

DECEMBER 31, 2018

1. Amount brought forward from line 29 page 2..... \$ 5,323,979

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.....	\$ 105,394	\$	\$ 105,394
3. Windstorm.....	84,881		84,881
4. Crop Hail			
5. Homeowners Assumed....	XXXXXXXXXX		
6. Totals.....	\$ 190,275	\$	\$ 190,275

7. Received from aggregate excess loss reinsurance.....
 8. Total of all net losses (line 6, column 4 - line 7 = line 8)..... \$ 190,275

OPERATING EXPENSE

9. Loss Adjustment Expenses.....	<u>33,635</u>
10. Commissions.....	<u>157,622</u>
11. Advertising.....	<u>1,551</u>
12. Boards, bureaus and associations.....	<u>5,094</u>
13. Inspection and loss prevention.....	<u>1,720</u>
14. Salaries of officers.....	<u>13,176</u>
15. Expenses of officers.....	<u>329</u>
16. Salaries of office employees.....	<u>89,854</u>
17. Employee welfare.....	<u>5,202</u>
18. Insurance.....	<u>12,025</u>
19. Directors' compensation.....	<u>3,075</u>
20. Directors' expenses.....	<u>2,032</u>
21. Rent and rent items.....	<u>7,354</u>
22. Equipment.....	<u>15,041</u>
23. Printing, stationery and supplies.....	<u>2,816</u>
24. Postage and telephone	<u>5,816</u>
25. Legal and auditing.....	<u>12,591</u>
26. State insurance taxes (March 1, 176) (June 1, 5,378) (August 15, 5,378)	<u>10,933</u>
27. Insurance Division licenses and fees.....	<u>1,850</u>
28. Payroll taxes.....	<u>11,228</u>
29. All other taxes (excluding Federal income).....	
30. Real estate expenses.....	<u>16,679</u>
31. Real estate taxes.....	<u>1,096</u>
32. Interest on borrowed money.....	
33. Miscellaneous.....	<u>5,048</u>
a. Annual Meeting.....	
b. Donations/Contributions.....	<u>800</u>
c. Travel and Travel Items.....	<u>3,907</u>
d. Over and Short.....	<u>339</u>
34.	
35. Total operating expense (items 9 through 34).....	\$ <u>420,813</u>

NON-OPERATING EXPENSE

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	<u>1,803</u>
38. Loss on sale of investments.....	
39. Federal income tax Prior year, 29 Current year, 10,144	<u>10,173</u>
40. Premium collections transmitted to other companies.....	<u>60,081</u>
41. Commission paid agents for other companies.....	<u>10,170</u>
42. Decrease in ledger liabilities.....	<u>927</u>
43. Federal income tax penalty/interest.....	
44. Total non-operating expense (items 36 through 43).....	<u>83,154</u>
45. Total disbursements (items 8, 35, and 44).....	\$ <u>694,242</u>
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4... ..	\$ <u>4,629,737</u>

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).....	\$ 2,031,333	\$	\$ 704	\$ 2,030,629	\$ 2,311,640
2. Stocks (schedule A-part 2).....	1,107,866		149,963	957,903	1,015,438
3. Bank Balances					
3.1 Subject to check(C-1).....	354,758			354,758	160,538
3.2 On interest (C-2).....	1,089,160			1,089,160	683,366
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	40,518			40,518	19,246
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.....		824		824	14,436
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	18,659		18,659	22,697
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	6,102		6,102	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.....					366
20. Service fees & misc receivables..					
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 4,629,737	\$ 19,483	\$ 156,769	\$ 4,492,451	\$ 4,227,727

*Bonds are amortized through 12/31/2018

LIABILITIES - DECEMBER 31, 2018

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 59,730		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	59,730		
4. Less: reinsurance recoverable on unpaid losses.....			
5. Net unpaid claims.....		\$ 59,730	\$ 136,741
6. Unpaid adjusting expenses.....		4,000	5,439
7. Ceded reinsurance balances payable.....		23,753	22,712
8. Unpaid salaries and commissions.....		8,784	9,421
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		1,289	1,019
12. Taxes payable: Real estate.....		1,118	1,074
Federal Income.....		6,000	
Premium.....		507	176
Other.....		667	-
13. Other unpaid expenses.....		2,712	1,818
14. Premiums collected for other companies - not remitted.....		5,158	4,376
15. Premiums received in advance.....		3,824	19,553
16.* Unearned premium reserve.....		439,000	421,000
17. Service Fees and Employee Benefits Payable.....		15,651	20,541
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 572,193	\$ 643,870
20. Surplus.....		\$ 3,920,258	\$ 3,583,857
21. Total liabilities and surplus.....		\$ 4,492,451	\$ 4,227,727

(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.....	576,737	550,945	542,159	543,859	531,520
Windstorm.....	549,559	524,700	515,842	520,607	511,247
Crop Hail.....	0	0	0	0	0
Total.....	1,126,296	1,075,645	1,058,001	1,064,466	1,042,767
Net Premium Written					
Fire.....	576,737	550,945	542,159	543,859	531,520
Windstorm.....	549,559	524,700	515,842	520,607	511,247
Crop Hail.....	0	0	0	0	0
Total.....	1,126,296	1,075,645	1,058,001	1,064,466	1,042,767
Total Net of Agg.....	840,815	797,309	792,889	798,687	782,259
Gross Losses Paid					
Fire.....	105,394	287,611	197,416	134,071	116,431
Windstorm.....	84,881	363,783	855,014	124,837	810,819
Crop Hail.....	0	0	0	0	0
Total.....	190,275	651,394	1,052,430	258,908	927,250
Net Losses Paid					
Fire.....	105,394	287,611	197,416	134,071	116,431
Windstorm.....	84,881	363,783	855,014	124,837	810,819
Crop Hail.....	0	0	0	0	0
Total.....	190,275	651,394	1,052,430	258,908	927,250
Total Net of Agg.....	190,275	580,204	854,525	141,961	615,926
Loss Percentage (Direct)					
Fire Losses/Fire Prem.....	18 %	52 %	36 %	25 %	22 %
Windstorm Losses/Windstorm Prem.....	15 %	69 %	166 %	24 %	159 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	17 %	61 %	99 %	24 %	89 %
Loss Percentage (Net)					
Fire Losses/Fire Prem.....	18 %	52 %	36 %	25 %	22 %
Windstorm Losses/Windstorm Prem.....	15 %	69 %	166 %	24 %	159 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	17 %	61 %	99 %	24 %	89 %
Total Net Agg Losses/Total Net Ag Prem	23 %	73 %	108 %	18 %	79 %
Balance Sheet Items					
Total Admitted Assets.....	4,492,451	4,227,727	4,185,513	4,451,531	4,125,985
Liabilities.....	572,194	643,871	493,167	543,866	496,347
Surplus.....	3,920,257	3,583,856	3,692,346	3,907,665	3,629,638
Bonds.....	2,030,629	2,311,640	2,419,112	2,235,551	1,796,286
Stocks.....	957,903	1,015,438	914,862	1,002,747	1,053,464
Real Estate.....	40,518	19,246	21,519	23,793	26,066
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	824	14,436	3,255	1,257	1,666
Agent's Balances.....	0	0	0	0	13,213
Unearned Premium.....	439,000	421,000	413,000	412,000	402,000
Balance Sheet Percentages					
Bonds/Admitted Assets.....	45 %	55 %	58 %	50 %	44 %
Stocks/Admitted Assets.....	21 %	24 %	22 %	23 %	26 %
Real Estate/Admitted Assets.....	1 %	0 %	1 %	1 %	1 %
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.....	1,084,738	1,023,011	1,015,367	1,039,137	1,048,510
Total Disbursements.....	694,243	1,051,950	1,366,819	621,042	1,092,706
Operating Expense.....	420,815	403,705	382,203	376,130	375,454
Commissions.....	157,622	156,915	153,658	151,397	143,464
Investment Income.....	168,819	149,476	148,998	159,309	195,195
Salaries (lines 14-17).....	108,561	94,863	93,568	92,065	95,781
Other					
Gross Risk in Force.....	313,026,878	293,195,321	292,905,220	282,000,003	278,107,692
Number of Policies.....	703	694	716	742	756
Operating Expense/Net Premium.....	50 %	51 %	48 %	47 %	48 %