

**December 31, 2018 - Annual Statement**

*Iowa Company Number:* 0107

**Marion County Mutual Insurance Association**

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**DECEMBER 31, 2018**

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

\$ 2,220,334

**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.....	\$ 1,480,071	\$	\$ 1,480,071
3. Windstorm.....	21,034		21,034
4. Crop Hail.....			
Homeowner 5. Assumed	XXXXXXX		
6. Totals.....	\$ 1,501,105	\$	\$ 1,501,105

7. Aggregate excess loss reinsurance paid..... 465,203

8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8) \$ 1,035,902

9. Net interest received on bonds..... 37,200

10. Increase in adjustment of bonds 740, less  
7,756 decrease in adjustment of bonds..... (7,016)

11. Dividends received..... 37,795

12. Interest received on bank deposits (schedule C-2, column 7)..... 262

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

14. Other interest..... 32

15. Profit on sale of investment..... 71

16. Rents received\*..... 3,600

17. Total income from investments (items 9 through 16)..... \$ 71,944

18. Borrowed money.....

19. Premiums collected for other companies (less refunds)..... 131,623

20. Checks charged off.....

21. Increase in ledger liabilities.....

22. Underwriting expense reimbursement.....

23. Federal income tax refund..... 6,098

24. Miscellaneous income..... 748

25. Crop Hail Contingency Commission.....

26. ....

27. Total (items 18 through 26)..... \$ 138,469

28. Total income (items 8, 17, and 27)..... \$ 1,246,315

29. Total assets and income (item 1 plus item 28)..... \$ 3,466,649

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

**DECEMBER 31, 2018**

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

\$ 3,466,649

**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.....	\$ 312,484	\$	\$ 312,484
3. Windstorm.....	575,554		575,554
4. Crop Hail .....			
5. Homeowners Assumed.....	XXXXXXXXXX		
6. Totals.....	\$ 888,038	\$	\$ 888,038

7. Received from aggregate excess loss reinsurance..... 344,630

8. Total of all net losses (line 6, column 4 - line 7 = line 8)..... \$ 543,408

**OPERATING EXPENSE**

9. Loss Adjustment Expenses.....	<u>46,151</u>
10. Commissions.....	<u>215,110</u>
11. Advertising.....	<u>4,752</u>
12. Boards, bureaus and associations.....	<u>6,861</u>
13. Inspection and loss prevention.....	<u>27,373</u>
14. Salaries of officers.....	<u>43,742</u>
15. Expenses of officers.....	
16. Salaries of office employees.....	<u>75,404</u>
17. Employee welfare.....	<u>61,241</u>
18. Insurance.....	<u>12,937</u>
19. Directors' compensation.....	<u>7,500</u>
20. Directors' expenses.....	<u>1,086</u>
21. Rent and rent items.....	<u>3,600</u>
22. Equipment.....	<u>7,291</u>
23. Printing, stationery and supplies.....	<u>12,726</u>
24. Postage and telephone .....	<u>11,558</u>
25. Legal and auditing.....	<u>12,775</u>
26. State insurance taxes (March 1, 0 ) (June 1, 6,901 ) (August 15, 6,987 )	<u>13,888</u>
27. Insurance Division licenses and fees.....	<u>816</u>
28. Payroll taxes.....	<u>12,461</u>
29. All other taxes (excluding Federal income).....	
30. Real estate expenses.....	<u>572</u>
31. Real estate taxes.....	<u>798</u>
32. Interest on borrowed money.....	
33. Miscellaneous.....	<u>596</u>
a. Annual Meeting.....	
b. Donations/Contributions.....	
c. Travel and Travel Items.....	<u>622</u>
d. Over and Short.....	
34. ....	
35. Total operating expense (items 9 through 34).....	\$ <u>579,860</u>

**NON-OPERATING EXPENSE**

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	<u>1,391</u>
38. Loss on sale of investments.....	
39. Federal income tax Prior year, 0 Current year, 0 .....	
40. Premium collections transmitted to other companies.....	<u>103,792</u>
41. Commission paid agents for other companies.....	<u>19,730</u>
42. Decrease in ledger liabilities.....	<u>920</u>
43. Federal income tax penalty/interest.....	
44. Total non-operating expense (items 36 through 43).....	<u>125,833</u>
45. Total disbursements (items 8, 35, and 44).....	\$ <u>1,249,101</u>
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4.....	\$ <u>2,217,548</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).....	\$ 932,166	\$	\$	\$ 932,166	\$ 939,181
2. Stocks (schedule A-part 2).....	702,331	594,488		1,296,819	1,503,827
3. Bank Balances					
3.1 Subject to check(C-1).....	565,913			565,913	554,139
3.2 On interest (C-2).....					
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	13,732			13,732	15,123
7. Cash in office.....	330			330	283
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.....		12,260		12,260	11,410
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.....					43,056
12. Accrued interest.....	X X X X X X	10,376		10,376	10,376
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	2,035		2,035	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.....	1,041			1,041	1,339
20. Service fees & misc receivables..					
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 2,217,548	\$ 617,124	\$ 2,035	\$ 2,832,637	\$ 3,078,734

\*Bonds are amortized through 12/31/18.

## LIABILITIES - DECEMBER 31, 2018

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 57,000		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	57,000		
4. Less: reinsurance recoverable on unpaid losses.....	16,000		
5. Net unpaid claims.....		\$ 41,000	\$
6. Unpaid adjusting expenses.....		2,400	5,600
7. Ceded reinsurance balances payable.....		38,701	39,489
8. Unpaid salaries and commissions.....		19,838	17,773
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....			
12. Taxes payable: Real estate.....		798	800
Federal Income.....		3,000	
Premium.....		1,037	-
Other.....		864	-
13. Other unpaid expenses.....		948	
14. Premiums collected for other companies - not remitted.....		9,171	7,594
15. Premiums received in advance.....		25,150	28,699
16.* Unearned premium reserve.....		586,000	541,000
17. Service Fees and Employee Benefits Payable.....			
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 728,907	\$ 640,955
20. Surplus.....		\$ 2,103,730	\$ 2,437,779
21. Total liabilities and surplus.....		\$ 2,832,637	\$ 3,078,734

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

\*Method of calculation: 40% method.

## HISTORICAL INFORMATION

	2018	2017	2016	2015	2014
<b>Gross Premium</b>					
Fire.....	1,480,071	1,377,953	1,388,069	1,437,353	1,508,779
Windstorm.....	21,034	19,410	17,896	18,106	18,249
Crop Hail.....	0	0	0	0	0
Total.....	1,501,105	1,397,363	1,405,965	1,455,459	1,527,028
<b>Net Premium Written</b>					
Fire.....	1,480,071	1,377,953	1,388,069	1,437,353	1,508,779
Windstorm.....	21,034	19,410	17,896	18,106	18,249
Crop Hail.....	0	0	0	0	0
Total.....	1,501,105	1,397,363	1,405,965	1,455,459	1,527,028
Total Net of Agg.....	1,035,902	962,981	868,184	957,537	1,108,267
<b>Gross Losses Paid</b>					
Fire.....	312,484	783,657	92,815	255,553	418,535
Windstorm.....	575,554	1,054,486	95,937	139,577	372,391
Crop Hail.....	0	0	0	0	0
Total.....	888,038	1,838,143	188,752	395,130	790,926
<b>Net Losses Paid</b>					
Fire.....	312,484	783,657	92,815	255,553	418,535
Windstorm.....	575,554	1,054,486	95,937	139,577	372,391
Crop Hail.....	0	0	0	0	0
Total.....	888,038	1,838,143	188,752	395,130	790,926
Total Net of Agg.....	543,408	854,141	188,752	395,130	784,926
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem.....	21 %	57 %	7 %	18 %	28 %
Windstorm Losses/Windstorm Prem.....	2,736 %	5,433 %	536 %	771 %	2,041 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	59 %	132 %	13 %	27 %	52 %
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem.....	21 %	57 %	7 %	18 %	28 %
Windstorm Losses/Windstorm Prem.....	2,736 %	5,433 %	536 %	771 %	2,041 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	59 %	132 %	13 %	27 %	52 %
Total Net Agg Losses/Total Net Ag Prem	52 %	89 %	22 %	41 %	71 %
<b>Balance Sheet Items</b>					
Total Admitted Assets.....	2,832,637	3,078,735	3,162,066	2,797,357	2,699,630
Liabilities.....	728,908	640,956	657,167	719,718	748,987
Surplus.....	2,103,729	2,437,779	2,504,899	2,077,639	1,950,643
Bonds.....	932,166	939,181	946,197	874,094	830,999
Stocks.....	1,296,819	1,503,827	1,374,017	1,291,106	1,342,245
Real Estate.....	13,732	15,123	16,514	18,098	19,873
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	12,260	11,410	7,843	8,030	15,868
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	586,000	541,000	550,000	570,000	603,000
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets.....	33 %	31 %	30 %	31 %	31 %
Stocks/Admitted Assets.....	46 %	49 %	43 %	46 %	50 %
Real Estate/Admitted Assets.....	0 %	0 %	1 %	1 %	1 %
Unpaid Prem (line 8.2)/Admitted Assets.	0 %	0 %	0 %	0 %	1 %
Agents' Balances/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
<b>Income/Disbursement Items</b>					
Total Income.....	1,246,315	1,190,473	1,104,737	1,150,899	1,339,425
Total Disbursements.....	1,249,101	1,523,238	911,144	1,044,411	1,435,259
Operating Expense.....	579,860	550,455	517,320	530,991	525,523
Commissions.....	215,110	202,572	202,170	220,434	223,296
Investment Income.....	71,944	86,676	104,605	70,530	68,488
Salaries (lines 14-17).....	180,387	177,289	160,592	147,404	145,204
<b>Other</b>					
Gross Risk in Force.....	518,157,108	464,448,122	430,110,000	424,737,587	361,735,210
Number of Policies.....	1,361	1,264	1,209	1,221	1,296
Operating Expense/Net Premium.....	56 %	57 %	60 %	55 %	47 %