

December 31, 2018 - Annual Statement

Iowa Company Number: 0060

New Vienna Mutual Insurance Association

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DECEMBER 31, 2018

1. Ledger Assets, December 31 of previous year, Total column 1, page 4.....\$ 7,064,562

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..... | \$ 650,129 | \$ | \$ | \$ 650,129 |
| 3. Windstorm..... | 587,289 | | | 587,289 |
| 4. Crop Hail..... | 10,798 | | 8,227 | 2,571 |
| Homeowner | | | | |
| 5. Assumed..... | XXXXXXX | | | |
| 6. Totals..... | \$ 1,248,216 | \$ | \$ 8,227 | \$ 1,239,989 |
| 7. Aggregate excess loss reinsurance paid..... | | | 295,776 | |
| 8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8)..... | | | | \$ 944,213 |
| 9. Net interest received on bonds..... | | | 183,335 | |
| 10. Increase in adjustment of bonds 4,316 , less 16,659 decrease in adjustment of bonds..... | | | (12,343) | |
| 11. Dividends received..... | | | 28,547 | |
| 12. Interest received on bank deposits (schedule C-2, column 7)..... | | | 9,298 | |
| 13. Interest received on mortgage loans (schedule D, column 6)..... | | | | |
| 14. Other interest..... | | | | |
| 15. Profit on sale of investment..... | | | 55,962 | |
| 16. Rents received*..... | | | 13,875 | |
| 17. Total income from investments (items 9 through 16)..... | | | | \$ 278,674 |
| 18. Borrowed money..... | | | | |
| 19. Premiums collected for other companies (less refunds)..... | | | 61,868 | |
| 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)..... | | | | \$ 61,868 |
| 28. Total income (items 8, 17, and 27)..... | | | | \$ 1,284,755 |
| 29. Total assets and income (item 1 plus item 28)..... | | | | \$ 8,349,317 |

*Includes \$4,800 for association's occupancy of its own buildings.

DECEMBER 31, 2018

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

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..... | \$ 321,778 | \$ | \$ | \$ 321,778 |
| 3. Windstorm..... | 24,109 | | | 24,109 |
| 4. Crop Hail | 570 | | | 570 |
| 5. Homeowners Assumed..... | XXXXXXXXXX | | | |
| 6. Totals..... | \$ 346,457 | \$ | \$ | \$ 346,457 |

7. Received from aggregate excess loss reinsurance.....

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

OPERATING EXPENSE

| | |
|--|---------|
| 9. Loss Adjustment Expenses..... | 32,901 |
| 10. Commissions..... | 123,694 |
| 11. Advertising..... | 16,286 |
| 12. Boards, bureaus and associations..... | 9,002 |
| 13. Inspection and loss prevention..... | 1,131 |
| 14. Salaries of officers..... | 81,742 |
| 15. Expenses of officers..... | 194 |
| 16. Salaries of office employees..... | 13,578 |
| 17. Employee welfare..... | 8,908 |
| 18. Insurance..... | 11,919 |
| 19. Directors' compensation..... | 12,270 |
| 20. Directors' expenses..... | 1,116 |
| 21. Rent and rent items..... | 4,800 |
| 22. Equipment..... | 29,170 |
| 23. Printing, stationery and supplies..... | 3,378 |
| 24. Postage and telephone | 8,447 |
| 25. Legal and auditing..... | 23,567 |
| 26. State insurance taxes (March 1, 960) (June 1, 6,343) (August 15, 6,343) | 13,645 |
| 27. Insurance Division licenses and fees..... | 240 |
| 28. Payroll taxes..... | 16,412 |
| 29. All other taxes (excluding Federal income)..... | |
| 30. Real estate expenses..... | 7,796 |
| 31. Real estate taxes..... | 2,418 |
| 32. Interest on borrowed money..... | |
| 33. Miscellaneous..... | 506 |
| a. Annual Meeting..... | 650 |
| b. Donations/Contributions..... | 657 |
| c. Travel and Travel Items..... | 6,317 |
| d. Over and Short..... | 836 |
| 34. | |
| 35. Total operating expense (items 9 through 34)..... | 431,580 |

NON-OPERATING EXPENSE

| | |
|--|-----------|
| 36. Borrowed money repaid..... | |
| 37. Depreciation on real estate..... | 2,910 |
| 38. Loss on sale of investments..... | 1,401 |
| 39. Federal income tax Prior year, 4,503 Current year, 6,240 | 10,743 |
| 40. Premium collections transmitted to other companies..... | 51,193 |
| 41. Commission paid agents for other companies..... | 5 |
| 42. Decrease in ledger liabilities..... | 8,466 |
| 43. Federal income tax penalty/interest..... | |
| 44. Total non-operating expense (items 36 through 43)..... | 74,718 |
| 45. Total disbursements (items 8, 35, and 44)..... | 852,755 |
| 46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4... .. | 7,496,562 |

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)..... | \$ 5,503,882 | \$ | \$ | \$ 5,503,882 | \$ 5,101,121 |
| 2. Stocks (schedule A-part 2)..... | 1,138,977 | 201,851 | | 1,340,829 | 1,494,253 |
| 3. Bank Balances | | | | | |
| 3.1 Subject to check(C-I)..... | 13,497 | | | 13,497 | 50,539 |
| 3.2 On interest (C-2)..... | 778,683 | | | 778,683 | 738,887 |
| 4. Mortgage loans (schedule D) | | | | | |
| 4.1 First liens..... | | | | | |
| 4.2 Other than first..... | | | | | |
| 5. Collateral loans (schedule E)..... | | | | | |
| 6. Real estate (schedule F)..... | 57,055 | | | 57,055 | 59,964 |
| 7. Cash in office..... | 110 | | | 110 | 110 |
| 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..... | | 6,624 | | 6,624 | 2,062 |
| 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 | 45,923 | | 45,923 | 44,967 |
| 13. Accrued rent due..... | X X X X X X | | | | |
| 14. Equipment and furniture..... | 3,247 | | 3,247 | 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..... | 1,113 | | | 1,113 | |
| 20. Service fees & misc receivables.. | | 15,578 | | 15,578 | 14,850 |
| 21. Prepaid Reins. & other assets.... | | | | | |
| 22. Totals..... | \$ 7,496,564 | \$ 269,976 | \$ 3,247 | \$ 7,763,294 | \$ 7,506,753 |

*Bonds are amortized through 12/31/18 (enter date)

LIABILITIES - DECEMBER 31, 2018

| | | Current Year | Prior Year |
|--|-----------|--------------|--------------|
| 1. Unpaid claims (reported)..... | \$ 22,690 | | |
| 2. Unpaid claims (incurred but not reported)..... | | | |
| 3. Total unpaid losses..... | 22,690 | | |
| 4. Less: reinsurance recoverable on unpaid losses..... | | | |
| 5. Net unpaid claims..... | | \$ 22,690 | \$ 2,800 |
| 6. Unpaid adjusting expenses..... | | 3,200 | 3,200 |
| 7. Ceded reinsurance balances payable..... | | 25,989 | 24,751 |
| 8. Unpaid salaries and commissions..... | | 1,735 | |
| 9. Borrowed money..... | | | |
| 10. Interest due on borrowed money..... | | | |
| 11. Amounts withheld for the account of others..... | | | |
| 12. Taxes payable: Real estate..... | | 2,418 | 2,322 |
| Federal Income..... | | 8,000 | 5,000 |
| Premium..... | | - | 960 |
| Other..... | | 785 | - |
| 13. Other unpaid expenses..... | | 2,622 | 3,017 |
| 14. Premiums collected for other companies - not remitted..... | | 4,051 | 3,982 |
| 15. Premiums received in advance..... | | 18,112 | 56,707 |
| 16.* Unearned premium reserve..... | | 511,000 | 494,000 |
| 17. Service Fees and Employee Benefits Payable..... | | 8,242 | 9,667 |
| 18. Miscellaneous Liabilities..... | | 40,000 | 48,625 |
| 19. Total liabilities..... | | \$ 648,844 | \$ 655,031 |
| 20. Surplus..... | | \$ 7,114,450 | \$ 6,851,722 |
| 21. Total liabilities and surplus..... | | \$ 7,763,294 | \$ 7,506,753 |

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

*Method of calculation: 40% method.

HISTORICAL INFORMATION

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|
| <u>Gross Premium</u> | | | | | |
| Fire..... | 650,129 | 664,448 | 615,947 | 625,024 | 613,312 |
| Windstorm..... | 587,289 | 601,052 | 553,430 | 561,041 | 553,247 |
| Crop Hail..... | 10,798 | 12,858 | 13,060 | 13,294 | 10,905 |
| Total..... | 1,248,216 | 1,278,358 | 1,182,437 | 1,199,359 | 1,177,464 |
| <u>Net Premium Written</u> | | | | | |
| Fire..... | 650,129 | 664,448 | 615,947 | 625,024 | 613,312 |
| Windstorm..... | 587,289 | 601,052 | 553,430 | 561,041 | 553,247 |
| Crop Hail..... | 2,571 | 3,025 | 3,129 | 3,190 | 0 |
| Total..... | 1,239,989 | 1,268,525 | 1,172,506 | 1,189,255 | 1,166,559 |
| Total Net of Agg..... | 944,213 | 986,867 | 904,432 | 890,036 | 886,681 |
| <u>Gross Losses Paid</u> | | | | | |
| Fire..... | 321,778 | 149,534 | 406,844 | 217,589 | 237,431 |
| Windstorm..... | 24,109 | 182,098 | 181,098 | 63,592 | 117,824 |
| Crop Hail..... | 570 | 0 | 0 | 0 | 0 |
| Total..... | 346,457 | 331,632 | 587,942 | 281,181 | 355,255 |
| <u>Net Losses Paid</u> | | | | | |
| Fire..... | 321,778 | 149,534 | 406,844 | 217,589 | 237,431 |
| Windstorm..... | 24,109 | 182,098 | 181,098 | 63,592 | 117,824 |
| Crop Hail..... | 570 | 0 | 0 | 0 | 0 |
| Total..... | 346,457 | 331,632 | 587,942 | 281,181 | 355,255 |
| Total Net of Agg..... | 346,457 | 331,632 | 587,942 | 281,181 | 352,448 |
| <u>Loss Percentage (Direct)</u> | | | | | |
| Fire Losses/Fire Prem..... | 49 % | 23 % | 66 % | 35 % | 39 % |
| Windstorm Losses/Windstorm Prem..... | 4 % | 30 % | 33 % | 11 % | 21 % |
| Crop Hail Losses/Crop Hail Prem..... | 5 % | 0 % | 0 % | 0 % | 0 % |
| Total Losses/Total Prem..... | 28 % | 26 % | 50 % | 23 % | 30 % |
| <u>Loss Percentage (Net)</u> | | | | | |
| Fire Losses/Fire Prem..... | 49 % | 23 % | 66 % | 35 % | 39 % |
| Windstorm Losses/Windstorm Prem..... | 4 % | 30 % | 33 % | 11 % | 21 % |
| Crop Hail Losses/Crop Hail Prem..... | 22 % | 0 % | 0 % | 0 % | 0 % |
| Total Losses/Total Prem..... | 28 % | 26 % | 50 % | 24 % | 30 % |
| Total Net Agg Losses/Total Net Ag Prem | 37 % | 34 % | 65 % | 32 % | 40 % |
| <u>Balance Sheet Items</u> | | | | | |
| Total Admitted Assets..... | 7,763,294 | 7,506,754 | 6,772,712 | 6,578,177 | 6,167,756 |
| Liabilities..... | 648,844 | 655,031 | 583,613 | 628,736 | 593,493 |
| Surplus..... | 7,114,450 | 6,851,723 | 6,189,099 | 5,949,441 | 5,574,263 |
| Bonds..... | 5,503,882 | 5,101,121 | 4,647,166 | 4,386,087 | 4,114,562 |
| Stocks..... | 1,340,829 | 1,494,253 | 1,319,619 | 850,823 | 527,766 |
| Real Estate..... | 57,055 | 59,964 | 62,874 | 65,784 | 66,569 |
| Unpaid Premium(line 8.1)..... | 0 | 0 | 0 | 0 | 0 |
| Unpaid Premium(line 8.2)..... | 6,624 | 2,062 | 879 | 4,747 | 822 |
| Agent's Balances..... | 0 | 0 | 0 | 0 | 0 |
| Unearned Premium..... | 511,000 | 494,000 | 468,000 | 475,000 | 462,000 |
| <u>Balance Sheet Percentages</u> | | | | | |
| Bonds/Admitted Assets..... | 71 % | 68 % | 69 % | 67 % | 67 % |
| Stocks/Admitted Assets..... | 17 % | 20 % | 19 % | 13 % | 9 % |
| Real Estate/Admitted Assets..... | 1 % | 1 % | 1 % | 1 % | 1 % |
| Unpaid Prem (line 8.2)/Admitted Assets..... | 0 % | 0 % | 0 % | 0 % | 0 % |
| Agents' Balances/Admitted Assets..... | 0 % | 0 % | 0 % | 0 % | 0 % |
| <u>Income/Disbursement Items</u> | | | | | |
| Total Income..... | 1,284,756 | 1,341,130 | 1,195,829 | 1,158,273 | 1,158,608 |
| Total Disbursements..... | 852,755 | 813,504 | 1,084,593 | 743,826 | 792,518 |
| Operating Expense..... | 431,580 | 427,489 | 407,576 | 401,765 | 397,511 |
| Commissions..... | 123,694 | 125,538 | 119,157 | 97,893 | 95,622 |
| Investment Income..... | 278,675 | 244,546 | 217,765 | 212,183 | 180,445 |
| Salaries (lines 14-17)..... | 104,422 | 87,031 | 84,575 | 98,688 | 107,766 |
| <u>Other</u> | | | | | |
| Gross Risk in Force..... | 370,550,222 | 358,244,466 | 346,603,725 | 329,361,502 | 314,189,118 |
| Number of Policies..... | 896 | 896 | 888 | 896 | 889 |
| Operating Expense/Net Premium..... | 46 % | 43 % | 45 % | 45 % | 45 % |