

**December 31, 2018 - Annual Statement**

*Iowa Company Number: 0017*

**Readlyn Mutual Insurance Association**

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**DECEMBER 31, 2018**

1.	Ledger Assets, December 31 of previous year, Total, column 1, page 4.....					5,153,690
<b>INCOME - INCREASES IN LEDGER ASSETS</b>						
<b>PREMIUMS</b>						
	(1)	(2)	(3)	(4)		
	Direct Premium	Reinsurance Premiums Assumed	Specific Reinsurance Premiums Ceded	Net Premiums (1+2-3=4)		
2.	Fire.....	2,715,757	0	37,864		\$2,677,893
3.	Windstorm.....	1,100,244	0	0		1,100,244
4.	Crop Hail.....					0
5.	Homeowners Assumed.....	XXXXXXXXXXXXXXXXXX	0			0
6.	Totals.....	\$3,816,001	\$0	\$37,864		\$3,778,137
7.	Aggregate excess loss reinsurance paid.....				945,533	
8.	Total net assessments, premiums and fees (line 6, col. 4 - line 7 = line 8).....					\$2,832,604
9.	Net interest received on bonds.....				169,946	
10.	Increase in adjustment of bonds \$ 2,460 , less \$ 8,993 decrease in adjustment of bonds.....					(6,533)
11.	Dividends received.....				56,840	
12.	Interest received on bank deposits (schedule C-2, column 7).....				4,842	
13.	Interest received on mortgage loans (schedule D, column 6).....				0	
14.	Other interest.....				0	
15.	Profit on sale of investment.....				406	
16.	Rents received* .....				19,800	
17.	Total income from investments (items 9 through 16).....					\$245,301
18.	Borrowed money.....				0	
19.	Premiums collected for other companies (less refunds).....				300,001	
20.	Checks charged off.....				0	
21.	Increase in ledger liabilities.....				9,235	
22.	Underwriting expense reimbursement.....				0	
23.	Federal income tax refund.....				12,622	
24.	Miscellaneous income.....				0	
25.	.....					
26.	.....					
27.	Total (items 18 through 26).....					\$321,858
28.	Total income (items 8, 17, and 27).....					\$3,399,763
29.	Total assets and income (item 1 plus item 28).....					\$8,553,453

\*Includes \$6,000 For association's occupancy of its own buildings.

**DECEMBER 31, 2018**

1.	Amount brought forward from line 29, page 2.....				\$8,553,453
<b>DISBURSEMENTS - DECREASES IN LEDGER ASSETS</b>					
		(1) Direct Losses	(2) Reinsurance Assumed	(3) Specific Reinsurance Recovered	(4) Net Losses Paid (1+2-3=4)
2.	Fire.....	1,108,299	0	30,074	\$1,078,225
3.	Windstorm.....	420,622	0	0	420,622
4.	Crop Hail.....			0	
5.	Homeowners Assumed.....	xxxxxxxxxxxxxxxxxxxx	0		0
6.	Totals.....	\$1,528,921	\$0	\$30,074	\$1,498,847
7.	Received from aggregate excess loss reinsurance.....				570,478
8.	Total of all net losses (line 6, col. 4 - line 7 = line 8).....				\$928,369
<b>OPERATING EXPENSE</b>					
9.	Loss Adjustment Expenses.....				35,188
10.	Commissions.....				700,200
11.	Advertising.....				5,599
12.	Boards, bureaus and associations.....				9,518
13.	Inspection and loss prevention.....				35,188
14.	Salaries of officers.....				108,704
15.	Expenses of officers.....				3,952
16.	Salaries of office employees.....				92,375
17.	Employee welfare.....				60,098
18.	Insurance.....				16,031
19.	Directors' compensation.....				3,375
20.	Directors' expenses.....				9,553
21.	Rent and rent items.....				6,000
22.	Equipment.....				30,529
23.	Printing, stationery and supplies.....				6,128
24.	Postage and telephone.....				35,106
25.	Legal and auditing.....				27,350
26.	State insurance taxes		1,134		
	March 1.....				
	June 1.....	18,461			
	August 15.....			18,460	
	Total.....				38,055
27.	Insurance Division licenses and fees.....				520
28.	Payroll taxes.....				20,512
29.	All other taxes (excluding Federal income).....				0
30.	Real estate expenses.....				9,749
31.	Real estate taxes.....				1,860
32.	Interest on borrowed money.....				0
33.	Miscellaneous.....				(49)
	a. Annual Meeting.....				2,896
	b. Donations/Contributions.....				2,929
	c. Travel and Travel Items.....				0
	d. Over and Short.....				63
34.	.....				
35.	Total operating expense (items 9 through 34).....				\$1,261,429
<b>NON-OPERATING EXPENSE</b>					
36.	Borrowed money repaid.....				0
37.	Depreciation on real estate.....				4,844
38.	Loss on sale of investments.....				0
39.	Federal income tax				
	Prior year.....	0			
	Current year.....			50,000	
40.	Premium collections transmitted to other companies.....				230,309
41.	Commission paid agents for other companies.....				47,549
42.	Decrease in ledger liabilities.....				0
43.	Federal income tax penalty/interest.....				0
44.	Total non-operating expense (items 36 through 43).....				\$332,702
45.	Total disbursements (items 8, 35 and 44).....				\$2,522,500
46.	Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4.....				\$6,030,953



## LIABILITIES - DECEMBER 31, 2018

		Current Year	Prior Year
1.	Unpaid claims (reported).....	\$812,710	
2.	Unpaid claims (incurred but not reported).....	5,000	
3.	Total unpaid losses.....	\$817,710	
4.	Less: reinsurance recoverable on unpaid losses.....	461,300	
5.	Net unpaid claims.....	\$356,410	\$154,172
6.	Unpaid adjusting expenses.....	3,000	3,000
7.	Ceded reinsurance balances payable.....	73,815	51,134
8.	Unpaid salaries and commissions.....	1,222	3,815
9.	Borrowed money.....	0	0
10.	Interest due on borrowed money.....	0	0
11.	Amounts withheld for the account of others.....	11,659	2,588
12.	Taxes payable:		
	Real estate.....	1,836	1,884
	Federal income.....	0	0
	Premium.....	1,239	1,134
	Other.....	0	0
13.	Other unpaid expenses.....	1,383	5,035
14.	Premiums collected for other companies - not remitted.....	21,100	17,730
15.	Premiums received in advance.....	62,359	35,979
*16.	Unearned premium reserve.....	1,453,962	1,432,623
17.	Service fees and employee benefits payable.....	19,972	0
18.	.....		
19.	Total liabilities.....	\$2,007,957	\$1,709,094
20.	Surplus.....	\$5,037,017	\$4,671,007
21.	Total liabilities and surplus.....	\$7,044,974	\$6,380,101

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

\* Method of calculation: 40% method

## HISTORICAL INFORMATION

	2018	2017	2016	2015	2014
<b>Gross Premium</b>					
Fire	2,715,757	2,621,668	2,540,373	2,512,918	1,753,342
Windstorm	1,100,244	1,070,426	1,038,359	1,040,222	1,675,273
Crop Hail	0	0	0	0	0
Total	3,816,001	3,692,094	3,578,732	3,553,140	3,428,615
<b>Net Premiums Written</b>					
Fire	2,677,893	2,584,566	2,504,016	2,473,084	1,753,342
Windstorm	1,100,244	1,070,426	1,038,347	1,039,620	1,675,273
Crop Hail	0	0	0	0	0
Total	3,778,137	3,654,992	3,542,363	3,512,704	3,428,615
Total Net of Agg	2,832,604	2,763,577	2,692,434	2,682,215	2,347,380
<b>Gross Losses Paid</b>					
Fire	1,108,299	904,547	754,437	912,488	769,631
Windstorm	420,622	1,446,553	754,298	1,567,486	1,268,260
Crop Hail	0	0	0	0	0
Total	1,528,921	2,351,100	1,508,735	2,479,974	2,037,891
<b>Net Losses Paid</b>					
Fire	1,078,225	874,088	733,239	858,243	744,370
Windstorm	420,622	1,446,553	754,298	1,567,486	1,268,260
Crop Hail	0	0	0	0	0
Total	1,498,847	2,320,641	1,487,537	2,425,729	2,012,630
Total Net of Agg	928,369	2,118,002	1,393,676	2,217,576	1,887,866
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem	40.81%	34.50%	29.70%	36.31%	43.90%
Windstorm Losses/Windstorm Prem	38.23%	135.14%	72.64%	150.69%	75.70%
Crop Hail Losses/Crop Hail Prem	N/A	N/A	N/A	N/A	N/A
Total Losses/Total Prem	40.07%	63.68%	42.16%	69.80%	59.44%
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem	40.26%	33.82%	29.28%	34.70%	42.45%
Windstorm Losses/Windstorm Prem	38.23%	135.14%	72.64%	150.77%	75.70%
Crop Hail Losses/Crop Hail Prem	N/A	N/A	N/A	N/A	N/A
Total Losses/Total Prem	39.67%	63.49%	41.99%	69.06%	58.70%
Total Net Agg Losses/Total Net Agg Prem	32.77%	76.64%	51.76%	82.68%	80.42%
<b>Balance Sheet Items</b>					
Total Admitted Assets	7,044,974	6,380,101	6,425,170	5,722,710	6,031,147
Liabilities	2,007,957	1,709,094	1,819,301	1,864,076	2,031,743
Surplus	5,037,017	4,671,007	4,605,869	3,858,634	3,999,404
Bonds	4,523,391	3,664,447	4,019,523	3,602,198	3,433,671
Stocks	2,093,495	2,263,761	2,038,819	1,829,712	2,060,241
Real Estate	46,910	46,068	50,912	39,284	42,402
Unpaid Premium (line 8.1)	0	0	0	0	0
Unpaid Premium (line 8.2)	8,317	25,069	9,666	10,571	61,938
Agents' Balances	0	0	0	0	0
Unearned Premium	1,453,962	1,432,623	1,382,001	1,352,654	1,315,000
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets	64.21%	57.44%	62.56%	62.95%	56.93%
Stocks/Admitted Assets	29.72%	35.48%	31.73%	31.97%	34.16%
Real Estate/Admitted Assets	0.67%	0.72%	0.79%	0.69%	0.70%
Unpaid Prem (line 8.2)/Admitted Assets	0.12%	0.39%	0.15%	0.18%	1.03%
Agents' Balances/Admitted Assets	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Income/Disbursement Items</b>					
Total Income	3,399,763	3,315,822	3,439,635	3,488,550	3,079,046
Total Disbursements	2,522,500	3,612,012	2,731,681	3,624,924	3,245,173
Operating Expense	1,261,429	1,195,222	1,049,009	1,027,713	993,218
Commissions	700,200	667,456	546,177	539,560	517,586
Investment Income	245,301	258,974	372,577	362,054	257,183
Salaries (lines 14-17)	265,129	240,390	217,709	220,717	214,548
<b>Other</b>					
Gross Risk in Force	1,006,149,300	996,011,893	985,155,308	933,329,862	943,793,837
Number of Policies	3097	3186	3241	3266	2980
Operating Expense/Net Premium	44.53%	43.25%	38.96%	38.32%	42.31%