

**December 31, 2018 - Annual Statement**

*Iowa Company Number:* 0132

**Shelby County Farmers Mutual Insurance Association**

Richard D. Rasmussen

1117 - 7th St.

Harlan                      IA                      51537

**DECEMBER 31, 2018**

1. Ledger Assets, December 31 of previous year, Total, column 1, page 4 .....				\$ 8,946,829
<b>INCOME - INCREASES IN LEDGER ASSETS</b>				
	<b>PREMIUMS</b>			
	(1) Direct Premiums	(2) Reinsurance Premiums Assumed	(3) Specific Reinsurance Premiums Ceded	(4) Net Premiums (1 + 2 - 3 = 4)
2. Fire .....	\$ 895,021	\$	\$	\$ 895,021
3. Windstorm .....	580,955			580,955
4. Crop hail .....				
5. Homeowners assumed .....	xxxxxxx			
6. Totals .....	\$ 1,475,976	\$	\$	\$ 1,475,976
7. Aggregate excess loss reinsurance paid .....				347,967
8. Total net assessment, premiums and fees (line 6, col. 4 - line 7 = line 8) .....				\$ 1,128,009
9. Net interest received on bonds .....				210,471
10. Increase in adjustment of bonds \$ _____ 1,019 , less \$ _____ 26,030 decrease in adjustment of bonds .....				(25,011)
11. Dividends received .....				214,589
12. Interest received on bank deposits (schedule C-2, column 7) .....				5,631
13. Interest received on mortgage loans (schedule D, column 6) .....				
14. Other Interest .....				
15. Profit on sale of investment .....				190,903
16. Rents received* .....				29,400
17. Total income from investments (items 9 through 16) .....				\$ 625,983
18. Borrowed money .....				
19. Premiums collected for other companies (less refunds) .....				
20. Checks charged off .....				
21. Increase in ledger liabilities .....				3,112
22. Underwriting expense reimbursement .....				9,546
23. Federal income tax refund .....				29,279
24. Miscellaneous income .....				
25. ....				
26. ....				
27. Total (items 18 through 26) .....				\$ 41,937
28. Total income (items 8, 17 and 27) .....				\$ 1,795,929
29. Total assets and income (item 1 plus item 28) .....				\$ 10,742,758

\*Includes \$ 5,400 For association's occupancy of its own buildings

**DECEMBER 31, 2018**

1. Amount brought forward from line 29 page 2 .....				\$ 10,742,758
<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 .....	\$ 430,199			\$ 430,199
3. Windstorm .....	676,783			676,783
4. Crop Hail .....				
5. Homeowners Assumed .....	xxxxxxx			
6. Totals .....	\$ 1,106,982			\$ 1,106,982
7. Received from aggregate excess loss reinsurance .....			106,286	
8. Total of all net losses (line 6, col.4 - line 7 = line 8) .....				\$ 1,000,696
<b>OPERATING EXPENSE</b>				
9. Loss Adjustment Expenses .....			131,612	
10. Commissions .....			114,767	
11. Advertising .....			18,004	
12. Boards, bureaus and associations .....			8,240	
13. Inspection and loss prevention .....			1,244	
14. Salaries of officers .....			102,922	
15. Expenses of officers .....			254	
16. Salaries of office employees .....			42,100	
17. Employee welfare .....			33,651	
18. Insurance .....			30,210	
19. Directors' compensation .....			10,795	
20. Directors' expenses .....				
21. Rent and rent items .....			5,400	
22. Equipment .....			7,312	
23. Printing, stationery and supplies .....			8,856	
24. Postage and telephone .....			10,539	
25. Legal and auditing .....			12,382	
26. State insurance taxes March 1 .....				
June 1                     7,005                     August 15                     7,129				14,134
27. Insurance Division licenses and fees .....			445	
28. Payroll taxes .....			17,207	
29. All other taxes (excluding Federal income) .....			422	
30. Real estate expenses .....			9,054	
31. Real estate taxes .....			1,236	
32. Interest on borrowed money .....				
33. Miscellaneous .....			7,448	
a Interest Paid .....			58	
b Data Processing Expense .....			11,914	
c Investment Expenses .....			13,457	
d Meals & Entertainment Expenses .....			743	
34. Travel & Meeting Expense .....			16,516	
35. Total operating expense (items 9 through 34) .....				\$ 630,922
<b>NON-OPERATING EXPENSE</b>				
36. Borrowed money repaid .....				
37. Depreciation on real estate .....			1,739	
38. Loss on sale of investments .....			2,648	
39. Federal income tax Prior year _____ Current year _____				
40. Premium collections transmitted to other companies .....				
41. Commissions paid agents for other companies .....				
42. Decrease in ledger liabilities .....				
43. ....				
44. Total non-operating expense (items 36 through 43) .....				\$ 4,387
45. Total disbursements (items 8, 35 and 44) .....				\$ 1,636,005
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4 .....				\$ 9,106,753

## 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) . . . . .	\$ 5,862,525	\$		\$ 5,862,525	\$ 5,967,810
2. Stocks (schedule A-part 2) . . . . .	2,586,752	432,842		3,019,594	3,143,087
3. Bank Balances					
3.1 Subject to check (C-1) . . . . .	264,733			264,733	140,041
3.2 On interest (C-2) . . . . .	166,194			166,194	445,906
4. Mortgage loans (schedule D)					
4.1 First liens . . . . .					
4.2 Other than first . . . . .					
5. Collateral loans (schedule E) . . . . .					
6. Real estate (schedule F) . . . . .	58,421			58,421	55,786
7. Cash in office . . . . .	50			50	50
8. Unpaid Premiums					
8.1 Due before November 1 . . . . .	70		70	xxxxxxx	xxxxxxx
8.2 Due after November 1 . . . . .	139,048		134,721	4,327	4,041
9. Bills receivable . . . . .				xxxxxxx	xxxxxxx
10. Agents' balances . . . . .					
11. Reinsurance receivable on paid losses . . . . .		47,700		47,700	5,394
12. Accrued interest . . . . .	xxxxxxx	49,023		49,023	53,613
13. Accrued rent due . . . . .	xxxxxxx				
14. Equipment and furniture . . . . .	28,960		28,960	xxxxxxx	xxxxxxx
15. Supplies . . . . .				xxxxxxx	xxxxxxx
16. Automobiles . . . . .				xxxxxxx	xxxxxxx
17. Cash surrender value of life ins. . . . .					
18. Federal income tax recoverable . . . . .		56,000	56,000		
19. Prepaid Reinsurance . . . . .					
20. Overwrite Fee Receivable . . . . .		889		889	865
21. Reinsurance Premiums Refundable . . . . .		13,697		13,697	31,505
22. Totals . . . . .	\$ 9,106,753	\$ 600,151	\$ 219,751	\$ 9,487,153	\$ 9,848,098

**LIABILITIES - DECEMBER 31, 2018**

		Current Year	Prior Year
1. Unpaid claims (reported) .....	\$ 99,812		
2. Unpaid claims (incurred but not reported) .....	10,000		
3. Total unpaid losses .....	109,812		
4. Less: reinsurance recoverable on unpaid losses .....	12,612		
5. Net unpaid claims .....		\$ 97,200	\$ 153,905
6. Unpaid adjusting expenses .....		700	2,234
7. Ceded reinsurance balances payable .....			
8. Unpaid salaries and commissions .....		11,205	10,938
9. Borrowed money .....			
10. Interest due on borrowed money .....			
11. Amounts withheld for the account of others .....			
12. Taxes payable:			
Real Estate .....		620	630
Federal Income .....			
Premium .....		501	(125)
Other .....			
13. Other unpaid expenses .....		6,423	7,577
14. Premiums collected for other companies - not remitted .....		519	36
15. Premiums received in advance .....		24,879	31,166
*16. Unearned premium reserve .....		649,524	614,463
17. ....			
18. ....			
19. Total liabilities .....		\$ 791,571	\$ 820,824
20. Surplus .....		\$ 8,695,582	\$ 9,027,274
21. Total liabilities and surplus .....		\$ 9,487,153	\$ 9,848,098

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

\*Method of calculation: Actual (Daily Pro-Rata) per APPS System

## HISTORICAL INFORMATION

	2018	2017	2016	2015	2014
<b>Gross Premium</b>					
Fire .....	895,021	865,530	874,307	871,335	888,753
Windstorm .....	580,955	560,393	565,609	562,879	576,196
Crop Hail .....	0	0	0	0	0
Total .....	1,475,976	1,425,923	1,439,916	1,434,214	1,464,949
<b>Net Premiums Written</b>					
Fire .....	895,021	865,530	872,030	871,335	888,753
Windstorm .....	580,955	560,393	564,136	562,879	576,196
Crop Hail .....	0	0	0	0	0
Total .....	1,475,976	1,425,923	1,436,166	1,434,214	1,464,949
Total Net of Agg. ....	1,128,009	1,065,333	1,073,885	1,073,619	1,058,860
<b>Gross Losses Paid</b>					
Fire .....	430,199	379,524	314,848	124,336	523,093
Windstorm .....	676,783	666,451	201,452	235,375	1,007,101
Crop Hail .....	0	0	0	0	0
Total .....	1,106,982	1,045,975	516,300	359,711	1,530,194
<b>Net Losses Paid</b>					
Fire .....	430,199	379,524	314,848	124,336	523,093
Windstorm .....	676,783	666,451	201,452	235,375	1,007,101
Crop Hail .....	0	0	0	0	0
Total .....	1,106,982	1,045,975	516,300	359,501	1,530,149
Total Net of Agg. ....	1,000,696	1,045,975	516,244	339,587	1,140,057
<b>Loss Percentage (Direct)</b>					
Fire Losses/Fire Prem. ....	48.0%	44.0%	36.0%	14.0%	59.0%
Windstorm Losses/Windstorm Prem. ....	116.0%	119.0%	36.0%	42.0%	175.0%
Crop Hail Losses/Crop Hail Prem. ....	N/A	N/A	N/A	N/A	N/A
Total Losses/Total Prem. ....	75.0%	73.0%	36.0%	25.0%	104.0%
<b>Loss Percentage (Net)</b>					
Fire Losses/Fire Prem. ....	48.0%	44.0%	36.0%	14.0%	59.0%
Windstorm Losses/Windstorm Prem. ....	116.0%	119.0%	36.0%	42.0%	175.0%
Crop Hail Losses/Crop Hail Prem. ....	N/A	N/A	N/A	N/A	N/A
Total Losses/Total Prem. ....	75.0%	73.0%	36.0%	25.0%	104.0%
Tot Net Agg Losses/Tot Net Agg Prem	89.0%	98.0%	48.0%	32.0%	108.0%
<b>Balance Sheet Items</b>					
Total Admitted Assets .....	9,487,153	9,848,098	9,646,072	9,288,058	8,843,550
Liabilities .....	791,571	820,824	774,455	743,390	862,357
Surplus .....	8,695,582	9,027,274	8,871,617	8,544,668	7,981,193
Bonds .....	5,862,525	5,967,810	5,918,195	5,511,999	5,418,222
Stocks .....	3,019,594	3,143,087	2,506,618	2,519,830	2,437,136
Real Estate .....	58,421	55,786	57,434	59,138	60,902
Unpaid Premium (line 8.1) .....	70	70	0	0	45
Unpaid Premium (line 8.2) .....	4,327	4,041	1,921	6,382	1,167
Agents' Balances .....	0	0	0	0	0
Unearned Premium .....	649,524	614,463	616,716	618,976	607,756
<b>Balance Sheet Percentages</b>					
Bonds/Admitted Assets .....	62.0%	61.0%	61.0%	59.0%	61.0%
Stocks/Admitted Assets .....	32.0%	32.0%	26.0%	27.0%	28.0%
Real Estate/Admitted Assets .....	1.0%	1.0%	1.0%	1.0%	1.0%
Unpaid Prem (line 8.2)/Admitted Assets ..	0.0%	0.0%	0.0%	0.0%	0.0%
Agents' Balances/Admitted Assets .....	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Income/Disbursement Items</b>					
Total Income .....	1,795,929	1,603,910	1,648,508	1,731,630	1,529,014
Total Disbursements .....	1,636,005	1,636,025	1,235,600	993,215	1,748,250
Operating Expense .....	630,922	579,364	562,830	544,431	572,648
Commissions .....	114,767	101,701	100,430	101,545	104,098
Investment Income .....	625,983	529,735	564,966	587,545	461,838
Salaries (lines 14-17) .....	178,927	171,161	163,597	164,918	166,561
<b>Other</b>					
Gross Risk in Force .....	363,118,979	337,824,262	329,898,457	331,324,398	328,049,719
Number of Policies .....	1,110	1,110	1,117	1,127	1,136
Operating Expense/Net Premium .....	43.0%	41.0%	39.0%	38.0%	39.0%