

December 31, 2019 - Annual Statement

Iowa Company Number: 0058

Sherrill Mutual Fire Insurance Association

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Sherrill IA 52073

DECEMBER 31, 2019

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

\$ 2,920,189

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.....	\$ 772,569	\$	\$ 772,569
3. Windstorm.....	436,383		436,383
4. Crop Hail.....			
Homeowner 5. Assumed.....	XXXXXXX		
6. Totals.....	\$ 1,208,952	\$	\$ 1,208,952

7. Aggregate excess loss reinsurance paid..... 253,592

8. Total net assessment, premiums and fees (line 6, col. 4-line 7 = line 8) \$ 955,360

9. Net interest received on bonds..... 90,580

10. Increase in adjustment of bonds 1,612, less
5,838 decrease in adjustment of bonds..... (4,226)

11. Dividends received..... 302

12. Interest received on bank deposits (schedule C-2, column 7)..... 6,799

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

14. Other interest.....

15. Profit on sale of investment..... 948

16. Rents received*..... 4,800

17. Total income from investments (items 9 through 16)..... \$ 99,203

18. Borrowed money.....

19. Premiums collected for other companies (less refunds)..... 123,027

20. Checks charged off.....

21. Increase in ledger liabilities..... 2,631

22. Underwriting expense reimbursement.....

23. Federal income tax refund.....

24. Miscellaneous income..... 495

25. Crop Hail Contingency Commission.....

26.

27. Total (items 18 through 26)..... \$ 126,153

28. Total income (items 8, 17, and 27)..... \$ 1,180,716

29. Total assets and income (item 1 plus item 28)..... \$ 4,100,905

*Includes \$3,000 for association's occupancy of its own buildings.

DECEMBER 31, 2019

\$ 4,100,905

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.....	\$ 315,691	\$	\$ 315,691
3. Windstorm.....	164,150		164,150
4. Crop Hail			
5. Homeowners Assumed.....	XXXXXXXXXX		
6. Totals.....	\$ 479,841	\$	\$ 479,841

7. Received from aggregate excess loss reinsurance..... 73,417

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

\$ 406,424

OPERATING EXPENSE

9. Loss Adjustment Expenses.....	12,956
10. Commissions.....	181,249
11. Advertising.....	2,582
12. Boards, bureaus and associations.....	7,943
13. Inspection and loss prevention.....	42,787
14. Salaries of officers.....	28,080
15. Expenses of officers.....	3,246
16. Salaries of office employees.....	62,534
17. Employee welfare.....	6,876
18. Insurance.....	11,772
19. Directors' compensation.....	1,450
20. Directors' expenses.....	3,189
21. Rent and rent items.....	3,000
22. Equipment.....	16,629
23. Printing, stationery and supplies.....	2,981
24. Postage and telephone	6,075
25. Legal and auditing.....	11,630
26. State insurance taxes (March 1, 968) (June 1, 5,658) (August 15, 5,658)	12,284
27. Insurance Division licenses and fees.....	629
28. Payroll taxes.....	12,953
29. All other taxes (excluding Federal income).....	
30. Real estate expenses.....	3,838
31. Real estate taxes.....	706
32. Interest on borrowed money.....	
33. Miscellaneous.....	13
a. Annual Meeting.....	175
b. Donations/Contributions.....	1,810
c. Travel and Travel Items.....	2,343
d. Over and Short.....	
34.	
35. Total operating expense (items 9 through 34).....	

\$ 439,730

NON-OPERATING EXPENSE

36. Borrowed money repaid.....	
37. Depreciation on real estate.....	1,198
38. Loss on sale of investments.....	131
39. Federal income tax Prior year, 1,413 Current year, 4,216	5,629
40. Premium collections transmitted to other companies.....	94,961
41. Commission paid agents for other companies.....	18,557
42. Decrease in ledger liabilities.....	
43. Federal income tax penalty/interest.....	

44. Total non-operating expense (items 36 through 43).....

45. Total disbursements (items 8, 35, and 44).....

120,476

\$ 966,630

46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4.....

\$ 3,134,275

ASSETS - DECEMBER 31, 2019

	(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).....	\$ 2,405,231	\$	\$ 115,128	\$ 2,290,103	\$ 2,354,180
2. Stocks (schedule A-part 2).....	76,664	21,422		98,086	19,314
3. Bank Balances					
3.1 Subject to check(C-1).....	94,188			94,188	83,564
3.2 On interest (C-2).....	523,849			523,849	334,442
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	28,742			28,742	8,577
7. Cash in office.....	104			104	374
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.....		2,224		2,224	4,302
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	18,479		18,479	19,901
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....	4,022		4,022	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.....	1,475			1,475	
20. Service fees & misc receivables.					12,456
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 3,134,275	\$ 42,125	\$ 119,150	\$ 3,057,250	\$ 2,837,110

*Bonds are amortized through 12/31/19.

LIABILITIES - DECEMBER 31, 2019

		Current Year	Prior Year
1. Unpaid claims (reported).....	\$ 37,792		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	37,792		
4. Less: reinsurance recoverable on unpaid losses.....			
5. Net unpaid claims.....		\$ 37,792	\$ 151,640
6. Unpaid adjusting expenses.....		1,800	4,900
7. Ceded reinsurance balances payable.....		21,818	26,151
8. Unpaid salaries and commissions.....		16,306	17,313
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....		3,355	2,557
12. Taxes payable: Real estate.....		706	690
Federal Income.....		2,000	2,000
Premium.....		774	968
Other.....		1,753	2,031
13. Other unpaid expenses.....		1,564	646
14. Premiums collected for other companies - not remitted.....		7,620	6,975
15. Premiums received in advance.....		29,085	22,887
16.* Unearned premium reserve.....		480,000	451,000
17. Service Fees and Employee Benefits Payable.....		1,040	141
18. Miscellaneous Liabilities.....			
19. Total liabilities.....		\$ 605,613	\$ 689,899
20. Surplus.....		\$ 2,451,637	\$ 2,147,211
21. Total liabilities and surplus.....		\$ 3,057,250	\$ 2,837,110

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

*Method of calculation: 40% method.

HISTORICAL INFORMATION

	2019	2018	2017	2016	2015
Gross Premium					
Fire.....	772,569	723,401	651,590	636,603	602,291
Windstorm.....	436,383	408,084	383,130	357,085	340,583
Crop Hail.....	0	0	0	0	0
Total.....	1,208,952	1,131,485	1,034,720	993,688	942,874
Net Premium Written					
Fire.....	772,569	723,401	651,590	636,603	602,291
Windstorm.....	436,383	408,084	383,130	357,085	340,583
Crop Hail.....	0	0	0	0	0
Total.....	1,208,952	1,131,485	1,034,720	993,688	942,874
Total Net of Agg.....	955,360	830,230	734,154	704,152	650,751
Gross Losses Paid					
Fire.....	315,691	422,456	128,707	228,344	172,341
Windstorm.....	164,150	48,738	292,127	108,785	113,067
Crop Hail.....	0	0	0	0	0
Total.....	479,841	471,194	420,834	337,129	285,408
Net Losses Paid					
Fire.....	315,691	422,456	128,707	228,344	172,341
Windstorm.....	164,150	48,738	292,127	108,785	113,067
Crop Hail.....	0	0	0	0	0
Total.....	479,841	471,194	420,834	337,129	285,408
Total Net of Agg.....	406,424	350,887	420,834	337,129	285,408
Loss Percentage (Direct)					
Fire Losses/Fire Prem.....	41 %	58 %	20 %	36 %	29 %
Windstorm Losses/Windstorm Prem.....	38 %	12 %	76 %	30 %	33 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	40 %	42 %	41 %	34 %	30 %
Loss Percentage (Net)					
Fire Losses/Fire Prem.....	41 %	58 %	20 %	36 %	29 %
Windstorm Losses/Windstorm Prem.....	38 %	12 %	76 %	30 %	33 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	40 %	42 %	41 %	34 %	30 %
Total Net Agg Losses/Total Net Ag Prem	43 %	42 %	57 %	48 %	44 %
Balance Sheet Items					
Total Admitted Assets.....	3,057,250	2,837,109	2,675,262	2,750,439	2,585,675
Liabilities.....	605,613	689,897	581,808	486,714	470,917
Surplus.....	2,451,637	2,147,212	2,093,454	2,263,725	2,114,758
Bonds.....	2,290,103	2,354,180	1,964,720	1,284,432	1,119,497
Stocks.....	98,085	19,315	17,993	17,231	17,287
Real Estate.....	28,742	8,577	9,207	9,845	10,522
Unpaid Premium(line 8.1).....	0	0	0	0	0
Unpaid Premium(line 8.2).....	2,224	4,302	6,808	0	700
Agent's Balances.....	0	0	0	0	(611)
Unearned Premium.....	480,000	451,000	421,000	392,000	379,316
Balance Sheet Percentages					
Bonds/Admitted Assets.....	75 %	83 %	73 %	47 %	43 %
Stocks/Admitted Assets.....	3 %	1 %	1 %	1 %	1 %
Real Estate/Admitted Assets.....	1 %	0 %	0 %	0 %	0 %
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.....	1,180,715	1,039,358	850,031	798,616	726,612
Total Disbursements.....	966,629	860,993	831,761	633,657	560,004
Operating Expense.....	439,729	401,059	391,730	282,706	268,007
Commissions.....	181,249	169,839	161,816	97,240	47,966
Investment Income.....	99,202	92,947	80,624	72,968	70,360
Salaries (lines 14-17).....	100,736	85,120	76,449	60,161	133,104
Other					
Gross Risk in Force.....	406,551,167	372,334,275	331,492,024	315,726,270	0
Number of Policies.....	1,054	1,020	988	959	0
Operating Expense/Net Premium.....	46 %	48 %	53 %	40 %	41 %