

## **December 31, 2018 - Annual Statement**

*Iowa Company Number:* 0115

### **Southwest Iowa Mutual Insurance Association**

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Clarinda                      IA                      51632-02

DECEMBER 31, 2018

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

\$4,047,959

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.....	\$1,272,140	\$	\$	\$1,272,140
3. Windstorm.....	1,225,762			1,225,762
4. Crop Hail.....				
Homeowner				
5. Assumed.....	XXXXXXX			
6. Totals.....	\$2,497,902	\$	\$	\$2,497,902

7. Aggregate excess loss reinsurance paid.....

600,580

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

\$1,897,322

9. Net interest received on bonds.....

100,862

10. Increase in adjustment of bonds 1,315 , less  
12,212 decrease in adjustment of bonds.....

(10,897)

11. Dividends received.....

16,277

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

3,851

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

14. Other interest.....

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

80,803

16. Rents received\*.....

4,800

17. Total income from investments (items 9 through 16).....

\$195,696

18. Borrowed money.....

19. Premiums collected for other companies (less refunds).....

140,172

20. Checks charged off.....

21. Increase in ledger liabilities.....

6,985

22. Underwriting expense reimbursement.....

23. Federal income tax refund.....

49,310

24. Miscellaneous income.....

5

25. Crop Hail Contingency Commission.....

26. ....

27. Total (items 18 through 26).....

\$196,472

28. Total income (items 8, 17, and 27).....

\$2,289,490

29. Total assets and income (item 1 plus item 28).....

\$6,337,449

\*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.....	\$ 276,950	\$	\$	\$ 276,950
3. Windstorm.....	824,739			824,739
4. Crop Hail .....				
5. Homeowners Assumed.....	XXXXXXXXXX			
6. Totals.....	\$ 1,101,689	\$	\$	\$ 1,101,689
7. Received from aggregate excess loss reinsurance.....				590,166
8. Total of all net losses (line 6, column 4 - line 7 = line 8).....				\$ 511,523
9. Loss Adjustment Expenses.....	66,577			
10. Commissions.....	311,819			
11. Advertising.....	7,167			
12. Boards, bureaus and associations.....	7,551			
13. Inspection and loss prevention.....	55,090			
14. Salaries of officers.....	67,231			
15. Expenses of officers.....	5,681			
16. Salaries of office employees.....	78,879			
17. Employee welfare.....	83,395			
18. Insurance.....	15,696			
19. Directors' compensation.....	7,400			
20. Directors' expenses.....	1,717			
21. Rent and rent items.....	4,800			
22. Equipment.....	16,818			
23. Printing, stationery and supplies.....	4,231			
24. Postage and telephone .....	15,546			
25. Legal and auditing.....	8,750			
26. State insurance taxes (March 1, 544 ) (June 1, 12,060 ) (August 15, 12,060 )	24,665			
27. Insurance Division licenses and fees.....	305			
28. Payroll taxes.....	17,508			
29. All other taxes (excluding Federal income).....				
30. Real estate expenses.....	9,358			
31. Real estate taxes.....	3,011			
32. Interest on borrowed money.....				
33. Miscellaneous.....	692			
a. Annual Meeting.....				
b. Donations/Contributions.....	300			
c. Travel and Travel Items.....				
d. Over and Short.....	9			
34. ....				
35. Total operating expense (items 9 through 34).....	\$ 814,196			
36. Borrowed money repaid.....				
37. Depreciation on real estate.....	4,060			
38. Loss on sale of investments.....	19,029			
39. Federal income tax Prior year, 0 Current year, 35,300 .....	35,300			
40. Premium collections transmitted to other companies.....	112,120			
41. Commission paid agents for other companies.....	18,519			
42. Decrease in ledger liabilities.....				
43. Federal income tax penalty/interest.....				
44. Total non-operating expense (items 36 through 43).....	189,028			
45. Total disbursements (items 8, 35, and 44).....	\$ 1,514,747			
46. Balance - ledger assets, December 31st must agree with Line 22, Column 1, Page 4... ..	\$ 4,822,702			

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).....	\$ 3,055,587	\$	\$	\$ 3,055,587	\$ 2,798,860
2. Stocks (schedule A-part 2).....	1,130,515	98,211		1,228,726	1,300,156
3. Bank Balances					
3.1 Subject to check(C-I).....	190,225			190,225	108,309
3.2 On interest (C-2).....	356,509			356,509	2,658
4. Mortgage loans (schedule D)					
4.1 First liens.....					
4.2 Other than first.....					
5. Collateral loans (schedule E).....					
6. Real estate (schedule F).....	68,019			68,019	65,767
7. Cash in office.....	300			300	300
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.....		4,748		4,748	17,964
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	24,659		24,659	26,801
13. Accrued rent due.....	X X X X X X				
14. Equipment and furniture.....				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.....	20,082		20,082	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.....	1,464		1,058	406	1,216
20. Service fees & misc receivables..					
21. Prepaid Reins. & other assets....					
22. Totals.....	\$ 4,822,702	\$ 127,618	\$ 21,140	\$ 4,929,179	\$ 4,322,031

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

**LIABILITIES - DECEMBER 31, 2018**

1. Unpaid claims (reported).....	\$ 316,376		
2. Unpaid claims (incurred but not reported).....			
3. Total unpaid losses.....	316,376		
4. Less: reinsurance recoverable on unpaid losses.....	56,626		
5. Net unpaid claims.....		\$ 259,750	\$ 5,000
6. Unpaid adjusting expenses.....		6,300	15,100
7. Ceded reinsurance balances payable.....		50,417	45,856
8. Unpaid salaries and commissions.....		64,811	26,918
9. Borrowed money.....			
10. Interest due on borrowed money.....			
11. Amounts withheld for the account of others.....			
12. Taxes payable: Real estate.....		3,011	2,794
Federal Income.....		7,000	
Premium.....		858	544
Other.....		-	-
13. Other unpaid expenses.....		1,842	2,731
14. Premiums collected for other companies - not remitted.....		7,861	7,188
15. Premiums received in advance.....		69,614	38,318
16.* Unearned premium reserve.....		951,000	936,000
17. Service Fees and Employee Benefits Payable.....			
18. Miscellaneous Liabilities.....			2,100
19. Total liabilities.....		\$ 1,422,464	\$ 1,082,549
20. Surplus.....		\$ 3,506,715	\$ 3,239,482
21. Total liabilities and surplus.....		\$ 4,929,179	\$ 4,322,031

(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><u>Gross Premium</u></b>					
Fire.....	1,272,140	1,239,626	1,212,096	1,243,855	1,231,917
Windstorm.....	1,225,762	1,172,453	1,145,536	1,177,168	1,145,027
Crop Hail.....	0	0	0	0	0
Total.....	2,497,902	2,412,079	2,357,632	2,421,023	2,376,944
<b><u>Net Premium Written</u></b>					
Fire.....	1,272,140	1,239,626	1,212,096	1,243,855	1,231,917
Windstorm.....	1,225,762	1,172,453	1,145,536	1,177,168	1,145,027
Crop Hail.....	0	0	0	0	0
Total.....	2,497,902	2,412,079	2,357,632	2,421,023	2,376,944
Total Net of Agg.....	1,897,322	1,863,364	1,827,618	1,916,056	1,903,508
<b><u>Gross Losses Paid</u></b>					
Fire.....	276,950	334,390	252,941	460,052	319,034
Windstorm.....	824,739	2,072,507	686,979	267,400	2,061,042
Crop Hail.....	0	0	0	0	0
Total.....	1,101,689	2,406,897	939,920	727,452	2,380,076
<b><u>Net Losses Paid</u></b>					
Fire.....	276,950	334,390	252,941	460,052	319,034
Windstorm.....	824,739	2,072,507	686,979	267,400	2,061,042
Crop Hail.....	0	0	0	0	0
Total.....	1,101,689	2,406,897	939,920	727,452	2,380,076
Total Net of Agg.....	511,523	1,555,070	893,390	313,744	1,274,343
<b><u>Loss Percentage (Direct)</u></b>					
Fire Losses/Fire Prem.....	22 %	27 %	21 %	37 %	26 %
Windstorm Losses/Windstorm Prem.....	67 %	177 %	60 %	23 %	180 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	44 %	100 %	40 %	30 %	100 %
<b><u>Loss Percentage (Net)</u></b>					
Fire Losses/Fire Prem.....	22 %	27 %	21 %	37 %	26 %
Windstorm Losses/Windstorm Prem.....	67 %	177 %	60 %	23 %	180 %
Crop Hail Losses/Crop Hail Prem.....	0 %	0 %	0 %	0 %	0 %
Total Losses/Total Prem.....	44 %	100 %	40 %	30 %	100 %
Total Net Agg Losses/Total Net Ag Prem	27 %	83 %	49 %	16 %	67 %
<b><u>Balance Sheet Items</u></b>					
Total Admitted Assets.....	4,929,179	4,322,032	4,466,388	4,207,385	3,559,589
Liabilities.....	1,422,464	1,082,549	1,376,190	1,211,294	1,070,631
Surplus.....	3,506,715	3,239,483	3,090,198	2,996,091	2,488,958
Bonds.....	3,055,588	2,798,860	2,850,768	2,683,466	2,321,931
Stocks.....	1,228,726	1,300,156	1,008,136	786,950	896,869
Real Estate.....	68,019	65,767	69,638	73,510	77,382
Unpaid Premium(line 8.1).....	0	0	0	4	0
Unpaid Premium(line 8.2).....	4,748	17,964	9,718	2,708	6,296
Agent's Balances.....	0	0	0	0	0
Unearned Premium.....	951,000	936,000	919,000	937,000	918,000
<b><u>Balance Sheet Percentages</u></b>					
Bonds/Admitted Assets.....	62 %	65 %	64 %	64 %	65 %
Stocks/Admitted Assets.....	25 %	30 %	23 %	19 %	25 %
Real Estate/Admitted Assets.....	1 %	2 %	2 %	2 %	2 %
Unpaid Prem (line 8.2)/Admitted Assets.	0 %	0 %	0 %	0 %	0 %
Agents' Balances/Admitted Assets.....	0 %	0 %	0 %	0 %	0 %
<b><u>Income/Disbursement Items</u></b>					
Total Income.....	2,289,490	2,459,731	2,123,133	2,238,143	2,238,115
Total Disbursements.....	1,514,748	2,776,821	1,927,633	1,476,760	2,242,432
Operating Expense.....	814,197	882,187	760,377	764,405	796,266
Commissions.....	311,819	303,668	296,037	306,412	297,544
Investment Income.....	195,697	182,315	148,135	146,782	187,294
Salaries (lines 14-17).....	235,185	227,927	215,358	208,666	197,625
<b><u>Other</u></b>					
Gross Risk in Force.....	408,893,444	407,343,196	398,938,481	399,439,450	400,867,333
Number of Policies.....	1,789	1,850	1,923	1,980	2,061
Operating Expense/Net Premium.....	43 %	47 %	42 %	40 %	42 %