

1887 – 2013
ANNUAL STATEMENT

German Mutual Insurance Association

Pomeroy, Iowa

OFFICERS

President	John E. Dencklau, Fort Dodge
Vice President	Douglas Lawton, Jefferson
Secretary – Treasurer	Bill Axman, Pomeroy

DIRECTORS – AGENTS

John E. Dencklau	Fort Dodge
Joe Fritts	Lehigh
Craig Aljets (Director Only)	Pomeroy
Steve Kier (Director Only)	Newell
Randy Clough (Director Only)	Clare
Douglas Wenell	Laurens
Dean Holtorf (Director Only)	Pomeroy
Douglas Lawton	Jefferson
Wayne Green (Director Only)	Somers

AGENCIES

MacDonald Insurance	Scranton, Jefferson
United Insurance & Investments	Lake City
Mid-Iowa Insurance	Lake City
Gary L. Knopf	Paton, Dayton, Lehigh
Collmann/Agents, Inc.	Manson, Rockwell City
Central Financial Insurance Services	Storm Lake
Citizens Insurance Agency	Sac City
First Community Agency Services LLC	Rockwell City
Siepkner Insurance Agency	Fonda
State Bank Agency	Schaller
Rebekah Christ – Town and County Insurance	Storm Lake
Pat Essing Insurance	Manson
First Choice Financial Services	Pocahontas
Olsen-Culp, Inc.	Newell
Town & Country Insurance	Lohrville
Dencklau Insurance Services	Fort Dodge
Hopkins Insurance, Inc.	Pocahontas
Valentine Insurance, Inc.	Gowrie
Heartland Insurance & Realty	Manson, Somers, Gowrie, Callender
Wenell Insurance	Laurens
Steve Stamper	Gilmore City

OFFICE EMPLOYEES

Assistant Secretary – Treasurer	Scott Holland
Adjuster	Kent Gray
Inspector – Adjuster	Steve Rosenboom
Clerical Secretary	Carol Johnson
Clerical Secretary	Rachael Poling

**GERMAN MUTUAL INSURANCE ASSOCIATION
BALANCE SHEET
AS OF DECEMBER 31, 2013, 2012, 2011**

ASSETS	LEDGER ASSETS	NON-LEDGER (NON-ADMIT)	2013 ADMITTED	2012 ADMITTED	2011 ADMITTED
Cash/Checking	275,450.83	0.00	275,450.83	281,710.08	302,247.32
Savings Accounts	0.00	0.00	0.00	0.00	0.00
CD's	453,795.40	0.00	453,795.40	453,795.40	453,680.08
U.S. Government Bonds	580,220.72	0.00	580,220.72	573,045.76	49,981.40
Municipal Bonds	3,350,862.47	(9.50)	3,350,852.97	3,250,539.82	3,109,425.51
Corporate Bonds	220,092.82	0.00	220,092.82	220,718.23	271,343.55
Preferred Stock	0.00	0.00	0.00	0.00	0.00
Common Stock	272,431.18	47,418.72	319,849.90	271,170.81	182,047.05
Mutual Funds	1,389,732.59	583,127.98	1,972,860.57	1,492,522.64	1,399,899.02
Loans/Notes/Contracts	0.00	0.00	0.00	0.00	0.00
Real Estate Office Building	130,122.32	0.00	130,122.32	132,548.54	137,723.12
Unpaid Premium Before 11/1	4,421.52	(4,421.52)	0.00	0.00	0.00
Unpaid Premium After 11/1	32,617.48	0.00	32,617.48	29,790.18	46,300.89
Agent's Balances	0.00	0.00	0.00	0.00	0.00
Reins Rec on Paid Losses	0.00	0.00	0.00	1,402.98	26,971.83
Accrued Interest	0.00	44,252.89	44,252.89	48,001.17	46,664.78
Equipment and Furniture	2,587.77	(2,587.77)	0.00	0.00	0.00
Supplies	0.00	0.00	0.00	0.00	0.00
Transportation	39,935.15	(39,935.15)	0.00	0.00	0.00
EDP Equip	10,295.01	0.00	10,295.01	4,787.20	7,945.67
Other Asset	0.00	0.00	0.00	0.00	0.00
Misc Receivable	0.00	0.00	0.00	0.00	0.00
Accrued Rent	0.00	0.00	0.00	0.00	0.00
Service Fees Receivable	0.00	0.00	0.00	0.00	0.00
Federal Tax Receivable	0.00	0.00	0.00	0.00	0.00
Prepaid Reinsurance	0.00	0.00	0.00	0.00	0.00
TOTAL	\$6,762,565.26	\$627,845.65	\$7,390,410.91	\$6,760,032.81	\$6,034,230.22

LIABILITIES, RESERVES, AND SURPLUS			
Net Unpaid Claims	\$546,497.58	\$237,399.39	\$0.00
Accrued Reinsurance Premiums	59,598.08	43,004.59	30,344.25
Unpaid Salaries and Commissions	29,079.32	20,342.37	26,293.90
Amounts Withheld for the Accounts of Others	0.00	0.00	0.00
Borrowed Money	0.00	0.00	0.00

**GERMAN MUTUAL INSURANCE ASSOCIATION
BALANCE SHEET
AS OF DECEMBER 31, 2013, 2012, 2011**

Real Estate Taxes	6,813.00	6,858.00	7,120.00
Federal Income Taxes	0.00	0.00	0.00
Premium Taxes	1,375.48	2,061.31	685.85
Other Taxes	286.78	286.69	381.24
Premium Collected for Other Companies Not Remitted	9,752.04	8,154.12	8,135.40
Premiums Received in Advance	51,729.00	51,761.03	57,929.97
Unearned Premium Reserve	1,327,000.00	1,266,000.00	1,197,000.00
Other Liabilities	1,975.10	3,176.13	2,636.62
Unpaid Adjusting Expense	15,100.00	18,200.00	13,200.00
Write-In Liability	0.00	0.00	0.00
Total Liabilities and Reserves	\$2,049,206.38	\$1,657,243.63	\$1,343,727.23
Unassigned Surplus	5,341,204.53	5,102,789.18	4,690,502.99
TOTAL	\$7,390,410.91	\$6,760,032.81	\$6,034,230.22

GERMAN MUTUAL INSURANCE ASSOCIATION
SUMMARY OF SELECTED ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

OPERATING EXPENSES	2013	2012	2011
Advertising	\$22,171.89	\$26,291.16	\$20,524.95
Boards, Bureaus, and Associations	8,394.00	8,198.00	8,938.22
Inspection and Loss Prevention	93,390.81	85,095.58	87,189.46
Salaries of Officers	89,237.69	81,882.91	78,050.00
Expense of Officers	2,915.31	3,985.29	3,259.73
Salaries of Office Employees	143,315.65	138,793.91	133,560.00
Employee Welfare	66,124.94	65,144.29	85,711.54
Insurance	18,930.35	19,099.70	17,218.22
Directors' and Committee Fees	11,092.53	9,100.00	7,875.00
Directors' Expenses	4,545.07	5,267.16	5,229.82
Rent and Rent Items	4,800.00	4,800.00	4,800.00
Equipment	17,777.14	9,479.84	12,063.50
Printing, Stationery, and Supplies	12,871.42	10,484.64	11,712.77
Postage, Telephone, and Exchange	35,994.64	34,090.28	35,926.03
Legal and Auditing	7,790.00	8,360.00	7,700.00
State Insurance Taxes	34,563.49	31,126.71	29,403.01
Insurance Department Licenses and Fees	405.00	9,668.89	485.00
Payroll Taxes	27,610.89	26,936.74	26,268.44
All Other Taxes	0.00	0.00	0.00
Real Estate Expenses	19,192.17	15,524.10	39,301.41
Real Estate Taxes	6,813.00	6,858.00	7,120.00
Interest on Borrowed Debt	0.00	0.00	0.00
TOTAL OPERATING EXPENSES	\$627,935.99	\$600,187.20	\$622,337.10

MISCELLANEOUS INCOME/EXPENSE	2013	2012	2011
Miscellaneous Income:			
Crop Hail Contingency Commission	\$0.00	\$0.00	\$0.00
Federal Income Tax Refund	239,360.00	10,000.00	174,349.00
Sale of Merchandise	0.00	0.00	0.00
Other Income	0.00	0.00	50.00
TOTAL MISCELLANEOUS INCOME	\$239,360.00	\$10,000.00	\$174,399.00
Miscellaneous Expense:			

**GERMAN MUTUAL INSURANCE ASSOCIATION
SUMMARY OF SELECTED ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011**

Bond Interest Paid	\$0.00	\$0.00	\$0.00
Travel and Travel Items	0.00	0.00	0.00
Annual Meeting and Convention	0.00	0.00	0.00
Donations and Contributions	6,349.00	3,275.00	3,600.00
Over and Short	39.01	22.46	9.45
Loss on Sale of Assets	0.00	0.00	16.18
Other Expense	0.00	682.12	648.46
Write-In Expense	0.00	0.00	0.00
TOTAL MISCELLANEOUS EXPENSE	\$6,388.01	\$3,979.58	\$4,274.09
NET MISCELLANEOUS INCOME/EXPENSE	\$232,971.99	\$6,020.42	\$170,124.91

GERMAN MUTUAL INSURANCE ASSOCIATION
SUMMARY OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

UNDERWRITING PROFIT (LOSS)	2013	2012	2011
Gross Premiums	\$3,387,766.42	\$3,250,216.61	\$3,044,085.17
Less Reinsurance Premiums	676,341.77	490,215.30	347,998.30
Net Premiums	\$2,711,424.65	\$2,760,001.31	\$2,696,086.87
Gross Losses	2,215,567.00	1,584,895.82	10,788,178.92
Less Reinsurance Recovered	463,563.42	566,197.56	8,513,227.63
Net Losses	\$1,752,003.58	\$1,018,698.26	\$2,274,951.29
Loss Adjustment Expense	111,003.02	123,459.95	113,079.76
Commissions and Agent's Salary/Expense	417,936.55	401,396.04	371,426.56
Operating Expense (see page 3)	627,935.99	600,187.20	622,337.10
Total Underwriting Expenses & Losses	\$2,908,879.14	\$2,143,741.45	\$3,381,794.71
Net Gain (Loss) From Underwriting	(\$197,454.49)	\$616,259.86	(\$685,707.84)

INVESTMENT INCOME	2013	2012	2011
Interest Income	\$159,937.89	\$155,355.20	\$160,227.91
Dividend Income	32,075.08	30,383.36	21,505.26
Gain/(Loss) on Sale of Investments	70,628.48	197,772.92	27,969.79
Increase (Decrease) in Adj of Bonds	(16,529.41)	(14,680.46)	(10,527.81)
Rental Income - Including Self-Rent	5,400.00	5,400.00	5,400.00
Total Investment Income (Loss)	\$251,512.04	\$374,231.02	\$204,575.15

NON-OPERATING INCOME (LOSS)	2013	2012	2011
Net Premiums Collected for Other Companies	\$24,683.94	\$24,431.05	\$24,848.25
Commissions Paid Agents for Other Companies	(18,484.31)	(17,992.75)	(18,265.08)
Borrowed Money Received	0.00	0.00	0.00
Borrowed Money Repaid	0.00	0.00	0.00
Real Estate Depreciation	(5,210.27)	(5,174.58)	(5,174.58)
Increase (Decrease) in Ledger Liabilities	774.25	(5,320.01)	(20,618.66)
Net Misc Income (Expense) (see page 3)	232,971.99	6,020.42	170,124.91
Total Non-Operating Income or (Loss)	\$234,735.60	\$1,964.13	\$150,914.84
Net Income Before Federal Income Tax	\$288,793.15	\$992,455.01	(\$330,217.85)
Federal Income Tax	0.00	243,000.00	10,000.00
NET GAIN (LOSS) FOR THE YEAR	\$288,793.15	\$749,455.01	(\$340,217.85)

**GERMAN MUTUAL INSURANCE ASSOCIATION
SUMMARY OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011**

Ledger Asset Balance, Beginning of Period	\$6,473,772.11	\$5,724,317.10	\$6,064,534.95
Ledger Asset Balance, End of Period	\$6,762,565.26	\$6,473,772.11	\$5,724,317.10

INSURANCE SUMMARY	
Insurance in Force, 12/31/2013	\$799,006,130.00
Increase During the Year	\$34,520,530.00
Policies in Force, 12/31/2013	2,700
Decrease During the Year	7