

**ANNUAL STATEMENT OF POLICYHOLDERS
REDWOOD COUNTY FARMERS MUTUAL INSURANCE COMPANY
For the Year Ended December 31, 2020**

OFFICERS, DIRECTORS AND EMPLOYEES

Kerry Knakmuhs	President
Leon Plaetz	Vice-President
Karl Ramey	Secretary
John Derickson	Treasurer
Van Cunningham	Director
Fred Dauer, Jr.	Director
Cameron Maurer	Director
Karen Weber	Manager
Kari Halter	Office Staff
Jody Kircher	Office Staff
Todd Knorr	Inspector
Debra Vollmer	Office Staff
Brandt Baldry	Claims Adjuster/Inspector

INCORPORATED IN 1889

POLICIES IN FORCE EXHIBIT

Policies in force, January 1	2,294	\$ 1,378,907,585
Net addition or deduction for year	38	50,750,095
Policies in force, December 31	2,332	\$ 1,429,657,680

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors and Policyholders:

Management is responsible for the accompanying statutory financial statements of Redwood County Farmers Mutual Insurance Company (the Company), which comprise the statutory statements of admitted assets, liabilities and policyholders' surplus as of December 31, 2020 and 2019, and the related statements of income, and the supplementary schedules of operating and investment expenses, for the years then ended, and for determining the accounting practices prescribed or permitted by the Commerce Department of the State of Minnesota is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these statutory financial statements.

These financial statements are presented in accordance with the requirements of the Commerce Department of the State of Minnesota, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on a statutory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in the statutory schedules of operating expenses and statutory schedules of investment expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Mankato, Minnesota
February 22, 2021

REDWOOD COUNTY FARMERS MUTUAL INSURANCE COMPANY
STATUTORY STATEMENTS OF ADMITTED ASSETS, LIABILITIES AND POLICYHOLDERS' SURPLUS
DECEMBER 31, 2020 AND 2019

	2020	2019		2020	Restated 2019
ADMITTED ASSETS			LIABILITIES		
Cash	\$ 231,489	\$ 162,522	Unpaid operating expenses	\$ 31,502	\$ 36,947
Savings account	202,190	471,115	Unpaid losses	83,138	434,386
Government securities	-	100,031	Unearned premium	719,972	721,062
Corporate securities	315,532	466,111	Funds payable on reinsurance	29,177	29,173
Mortgage backed securities	413	530	Taxes payable	-	855
Municipal securities	5,559,261	5,168,820	Agency payable	211,255	169,255
Investment company shares	20,035	3,431			
Investment in NAMIC Insurance Co.	1,500	1,500	TOTAL LIABILITIES	1,075,044	1,391,678
Premiums receivable	13,154	9,603			
Accrued interest	63,144	64,740	POLICYHOLDERS' SURPLUS		
Tax refunds receivable	3,686	107	Balance as of January 1	5,147,067	5,404,211
Real estate	86,246	90,235	Change in surplus		
			Change in non-admitted assets	(9,736)	14,398
			Net income (loss)	284,275	(271,542)
			Total change in surplus	274,539	(257,144)
			Balance as of December 31	5,421,606	5,147,067
TOTAL ADMITTED ASSETS	\$ 6,496,650	\$ 6,538,745	TOTAL LIABILITIES AND SURPLUS	\$ 6,496,650	\$ 6,538,745

STATUTORY STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

STATUTORY SCHEDULES OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	Restated 2019
PREMIUM INCOME		
Gross written premium	\$ 2,151,647	\$ 2,089,299
Less: Reinsurance premium	(350,098)	(348,934)
NET WRITTEN PREMIUM	1,801,549	1,740,365
Change in unearned premium	1,090	(10,297)
NET EARNED PREMIUM	1,802,639	1,730,068
LOSSES		
Fire	1,195,457	750,270
Lightning	37,318	15,147
Additional lines	325,302	777,274
Less: Salvage and subrogation	(22,665)	(38,464)
Reinsurance recoveries	(553,253)	-
NET LOSSES INCURRED	982,159	1,504,227
OPERATING EXPENSES	709,446	674,147
UNDERWRITING INCOME (LOSS)	111,034	(448,306)
INVESTMENT & OTHER INCOME		
Investment income	179,123	183,446
Investment expenses	(11,227)	(10,596)
Capital gain	11,259	13,449
NET INVESTMENT AND OTHER INCOME	179,155	186,299
INCOME (LOSS) BEFORE INCOME TAXES	290,189	(262,007)
Provision for income taxes	5,914	9,535
NET INCOME (LOSS)	\$ 284,275	\$ (271,542)

	2020	Restated 2019
OPERATING EXPENSES		
Advertising	\$ 12,648	\$ 13,813
Boards, bureaus and association	17,179	11,387
Commissions	391,432	382,163
Less: Commissions on agency	(243,092)	(230,465)
Contributions	2,637	1,368
Conventions, meetings, education	15,502	38,395
Directors' fees	10,200	8,500
Employee benefits	13,647	12,111
Inspection and loss prevention	3,213	(1,694)
Insurance and bonding	15,365	15,726
Legal and auditing	16,496	15,209
Loss adjustment expense	49,616	36,705
Office equipment and maintenance	9,475	9,980
Payroll taxes	21,231	17,754
Postage, telephone and exchange	36,522	34,410
Printing and stationery	24,817	16,919
Salaries	252,316	231,479
State taxes and fees	21,561	22,139
Travel and travel items	5,809	7,598
Utilities	3,963	4,239
Depreciation expense	11,897	10,372
Computer expense	17,012	16,039
TOTAL OPERATING EXPENSES	\$ 709,446	\$ 674,147

STATUTORY SCHEDULES OF INVESTMENT EXPENSES

	2020	2019
INVESTMENT EXPENSES		
Depreciation on real estate	\$ 3,990	\$ 3,969
Property tax on real estate	4,642	3,702
Maintenance expense real estate	2,595	2,925
TOTAL INVESTMENT EXPENSES	\$ 11,227	\$ 10,596

SEE ACCOUNTANT'S COMPILATION REPORT