

**83rd Annual Report**

*Together, We Are Stronger*

**June 28, 2021**

**StanleyMutual.com**

**1-800-442-9714**

**Our Mission**

To create a community where the strength of all supports the need of each.

***Agenda***

* Call to order
* Approval of the minutes from last annual meeting and any intervening special meetings as posted on the company website
* Approval of the report from the Chairman of the Board as posted on the company website
* Approval of the report from the President as posted on the company website
* Financial Report - posted on the company website
* Approval of changes in bylaws adopted by Directors since the last meeting as posted on the company website
* Election of Directors
* Appointment of Auditor
* Unfinished Business
* New Business
* Adjournment

***Financial Report***

**Our Mission**

Stanley Mutual Insurance is a progressive and profitable Company. We sell, service and deliver insurance products based on our customers preferred way of doing business.

**Statement of Financial Position**

December 31, 2020

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  | 2020 | 2019 |
| **Assets** |  |  |
|  |  |  |
| Cash and cash equivalents | $ 768,065 | $ 675,469 |
| Investments | 11,712,436 | 11,035,406 |
| Receivables | 2,592,739 | 2,646,536 |
| Prepaids | 23,659 | 38,982 |
| Due from reinsurer | 15,366 | 3,813 |
| Deferred policy acquisition costs | 326,889 | 322,285 |
| Reinsurer’s share of reserve for unpaid claims | 788,517 | 1,184,169 |
| Property and equipment  Deferred income taxes  Intangible Assets | 409,788  208,038  30,000  $16,875,497 | 274,904  317,462  40,000  $16,539,026 |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Liabilities** |  |  |
| Payables and accruals | $ 565,999 | $ 269,785 |
| Payable to reinsurer | 10,076 | - |
| Provision for unpaid and unreported claims | 1,743,530 | 2,500,707 |
| Unearned premium reserve | 4,048,884 | 4,021,845 |
|  | 6,368,489 | 6,792,337 |
|  |  |  |
|  |  |  |
| **Policyholders’ Equity** |  |  |
| General reserve | 9,312,182 | 8,893,843 |
| Accumulated other comprehensive income | 1,194,826 | 852,846 |
|  | 10,507,008 | 9,746,689 |
|  | $16,875,497 | $16,539,026 |
|  |  |  |

*Please note: This is a brief unaudited summary. Complete audited financial statements are available upon request.*

**Statement of Comprehensive Income**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| For the year ended December 31, 2020 | | | 2020 | 2019 |
|  |  |
| **Premiums** | | |  |  |
| Direct premiums written | | | $ 7,301,290 | $ 7,281,772 |
| Less: Reinsurance ceded | | | (1,292,143) | (1,237,861) |
| Net premiums written | | | 6,009,147 | 6,043,911 |
| Add: Decrease in unearned premiums | | | (27,039) | (167,077) |
| **Net premiums earned** | | | 5,982,108 | 5,876,834 |
|  | | |  |  |
| **Claims** | | |  |  |
| Claims and adjusting expenses incurred | | | 3,428,209 | 4,408,291 |
| Less: Reinsurance recoveries | | | (467,879) | (543,803) |
| Net claims and adjusting expenses incurred | | | 2,960,330 | 3,864,488 |
|  | | |  |  |
| **Premium acquisition expense** | | |  |  |
| Commission expense | | | 649,317 | 668,403 |
| Premium Taxes | | | 256,306 | 254,041 |
| Sales office Expense | | | 491,872 | 417,020 |
|  | | | 1,397,495 | 1,339,464 |
| **Underwriting income before expenses** | | | 1,624,283 | 672,882 |
| Operating expenses | | | 1,994,516 | 2,129,488 |
| Net underwriting (loss) income | | | (370,233) | (1,456,606) |
|  | | |  |  |
| **Other income (loss)** | | |  |  |
| Investment and other income | | | 703,088 | 1,145,998 |
| Escrow recovery from sale of UGIC | | | 103,887 | - |
|  | | | 806,975 | 1,145,998 |
|  | | |  |  |
| (Loss) income before taxes | | | 436,742 | (310,608) |
| Income tax (recovery) expense | | | 18,403 | (17,969) |
| **Net (loss) income** | | | 418,339 | (292,639) |
|  | | |  |  |
| Other comprehensive (loss) income – net of tax | | | 341,980 | 270,165 |
| Comprehensive (loss) income | | | $ 760,319 | $ (22,474) |