

# ANNUAL STATEMENT

For the Year Ended December 31, 2002

## OF THE CONDITION AND AFFAIRS OF THE

**WASHINGTON MUTUAL INSURANCE ASSOCIATION**

**LAKEVILLE, OHIO 44038** (Here the full corporate name of the Association)

Located at \_\_\_\_\_ Holmes \_\_\_\_\_ County

### IN THE STATE OF OHIO

TO THE

### SUPERINTENDENT OF INSURANCE OF THE STATE OF OHIO

AS REQUIRED BY LAW

Incorporated 9-18-1878 Commenced Business 10-22-1878

President ROBERT BROOKS Postoffice LAKEVILLE OH

Secretary CHAS. BAUER Postoffice " "

Principal Office of the Association 14042 Co Rd 100 LAKEVILLE OH

Main Administrative Office 419-827-2181  
(Area Code) (Telephone Number)

#### DIRECTORS OR TRUSTEES

- Hal Tate \_\_\_\_\_
- Dean Miller \_\_\_\_\_
- Joe Phamey \_\_\_\_\_
- Chas Bauer \_\_\_\_\_
- Fred Cannon \_\_\_\_\_

| <b>BALANCE PREVIOUS YEAR</b>           |  |              |
|--|--|--------------|
| 1.                                     | *Amount of actual cash assets, December 31, of previous year .....   | 3,289,912.99 |
| <b>I. INCOME DURING 20 ____</b>        |  |              |
| 2.                                     | Amount actually received during the year for assessments .....   | 4727587.67   |
| 2a.                                    | Amount actually received during the year for delinquent assessments and fees .....   | 8926.37      |
| 3.                                     | Amount actually received during the year for membership fees .....   |              |
| 4.                                     | Amount actually received during the year for policy fees .....   |              |
| 5.                                     | Amount actually received during the year for premiums .....  | 226718.03    |
| 6.                                     | Total of items 2 to 5 (carried out) .....  | 4963232.07   |
| 7.                                     | Received for interest .....  | 130931.90    |
| 8.                                     | Borrowed money actually received during the year .....   | 114,400 -    |
| 8a.                                    | Vouchers, checks or warrants paid by banks or individuals and held at interest .....                                       |              |
| 9.                                     | Income received from all other sources, viz .....  | 794420.29    |
| 10.                                    | Aggregate amount of income actually received during the year in cash .....   | 6002984.26   |
| 11.                                    | Total of last balance and income .....   | 9292897.25   |
| <b>II. EXPENDITURES DURING 20 ____</b> |  |              |
| 12.                                    | Amount actually paid for losses during the year .....  | 4329744.15   |
| 13.                                    | Amount of cash paid or returned during the year to members who have discontinued their policies or who have overpaid ..... | 91554.41     |
| 14.                                    | Paid for commisions .....  | 809507.75    |
| 15.                                    | Paid for salaries, fees, and all other charges of officers, clerks, agents and all other employees .....                   | 297305.12    |
| 16.                                    | Borrowed money actually repaid during the year .....   | - 0 -        |
| 16a.                                   | Vouchers, checks or warrants paid by banks or individuals taken up .....   | - 0 -        |
| 17.                                    | Interest on borrowed money .....   | - 0 -        |
| 17a.                                   | Interest on vouchers, checks or warrants paid by banks or individuals .....  | - 0 -        |
| 18.                                    | Printing, stationery and postage .....   | 44064.56     |
| 19.                                    | Attorney fees .....  | 28873.22     |
| 20.                                    | Rent .....   | - 0 -        |
| 21.                                    | Insurance department fees .....  | 1625 -       |
| 22.                                    | All other payments and expenditures, viz: .....  | 1,384,913.59 |
| 23.                                    | Aggregate of actual expenditures during the year in cash .....   | 6987587.80   |
| 24.                                    | Balance .....  | 2305309.45   |

\*Line 1 must agree with line 34 of last year's statement.

| III. ASSETS DECEMBER 31, 20__  |                  |
|--|------------------|
| 25. Cash in bank (as per bank's record) .....  | 7,389,059 -      |
| 26. Deduct outstanding checks .....  | 546,059.42       |
| 27. Balance in bank (as per association's record) .....  | 842,999.58       |
| 28. Cash in association's office .....   | 200 -            |
| 29. Total cash in office and bank .....  | 843,199.58       |
| 30. Value of real estate owned by the association as specified in schedule A .....   | 2,103,163.39     |
| 31. Loans on mortgage, as specified in schedule B .....  | 67,110.54        |
| 32. Loans on collateral security .....   | -                |
| 33. All other actual cash assets in possession, belonging to the association, viz.: .....  | 1,184,682.94     |
| 34. (a) Total actual cash assets of association as per balance (line 24), (total of items 25 to 33) .....                          | 2,305,309.45     |
| 35. Interest due and accrued .....   | -                |
| 36. Gross assessments and membership fees in course of collection not more than three months due .....                             | 349,186.53       |
| 37. All other property belonging to the association, viz.: .....   | 2,276,261.50     |
| 38. Aggregate amount of all the assets of the association .....  | 4,930,757.48     |
| IV. LIABILITIES DECEMBER 31, 20__  |                  |
| 39. Gross claims for adjusted and unpaid losses due and to become due .....  | 1,475,151 -      |
| 40. Gross losses in process of adjustment, or in suspense, including all reported and supposed losses .....                        | -                |
| 41. Losses resisted, including interest, costs, and other expenses thereon .....   | -                |
| 42. Total gross amount of claims for losses .....  | 1,475,151 -      |
| 43. Due and accrued for salaries, rent, advertising, and for agency and other miscellaneous expenses .....                         | -                |
| 44. **Due and to become due for borrowed money; vouchers, checks or warrants paid by banks or individuals .....                    | 114,400 -        |
| 45. Due and to become due for interest on borrowed money; vouchers, checks or warrants paid by banks or individuals .....          | 1,138.87         |
| 46. Commissions, brokerage and other charges due and to become due to agents .....   | AR<br>349,186.53 |
| 47. All other demands against the association, absolute and contingent, due and to become due, admitted and contested, viz.: ..... | -                |
| 48. Total amount of all liabilities .....  | 1,939,876.40     |
| 49. †Net assets .....  | 2,990,881.08     |
| 50. ‡Excess of liabilities over assets .....   | -                |
| 51. ††Total gross assets .....   | 4,930,757.48     |

(a) Line 34 must agree with line 24.  
 \*\* Line 44 in last statement plus line 8 and 8a less line 16 and 16a of this statement.  
 † Line 49 is the difference between lines 38 and 48.  
 ‡ Line 50 is the difference between lines 48 and 38.  
 †† Line 51 equals line 38.

V. RISKS.

|  | Number   |       | Amount (Dollars) |     |
|--|--|-------|------------------|-----|
|  | 1. **In force December 31, 20__ as per line 5, last year's statement | 10674 | 1082             | 617 |
| 2. Written during the year                           | 2834   | 400   | 828              | 268 |
| 3. Total   | 13508  | 1482  | 1445             | 951 |
| 4. Deduct those expired and marked off as terminated | 1603   | 138   | 524              | 404 |
| 5. In force at the end of the year                   | 11905  | 1344  | 921              | 547 |

GENERAL INTERROGATORIES.

- Losses incurred during the year—Fire, \$ 1,551,017.38, Lightning, \$ 140,864.29, all other losses, \$ 2,337,842.48
- Paid for unadjusted, supposed and resisted losses as per lines 39, 40, 41 of previous year 196,652.61
- Explain how assessments are made on rodded buildings Same as non rodded
- Define No. of classes of risks Farm, Town, Rentals, MH & Churches
- In what Counties in Ohio is the association doing business? Nelson & surrounding counties
- What kind of risks are being taken? Fire & E
- Average amount of insurance upon which assessments were made during the year 1,213,769.615
- How many assessments were made during the year? 12
- Total rate of assessment for year (give amount in dollars per \$1,000) 3.02 / 4.47 / 4.83 / 5.48 / 9.66
- Rate of membership fee (give amount in dollars per \$1,000) 1.54 per policy
- Rate of policy fee (give amount in dollars per \$1,000) 30 - 7.00 per policy
- Rate of insurance fee (give amount in dollars per \$1,000) 0
- Attach hereto a brief description of the plan on which the association is doing business, and any literature in use giving information in regard to the association. Annual Semi Annual quarterly assess. on the anniversary of each policy with a common class plate of the 15th of each month
- State the date of your last assessment Dec on Dec policy
- Did that assessment provide for all losses, expenses and all other liabilities prior to the date of assessment? yes
- What provision was made for unadjusted and contested claims?
- State the amount of losses adjusted and unadjusted occurring from the date of your last assessment to the 31st of December
- State the amount of expenses paid and unpaid from the date of your last assessment to the 31st of December
- State the amount of borrowed money since date of last assessment, \$ ; interest thereon, \$

STATE OF OHIO  
 County of Nelson ss.  
 Robert Brooks President,  
 Secretary of the Washington Mutual Ohio Assn.  
 being duly sworn, each for himself, deposes and says that they are the above described officers of said association, and that on the thirty-first day of December last, all of the above described assets were the absolute property of the said association, free and clear from any liens or claims thereon, except as above stated, and that the foregoing statements with the schedules and explanations therein contained, annexed or referred to, are a full and correct exhibit of all the assets, liabilities, income and expenditures, and of the condition and affairs of the said association on the said thirty-first day of December last, and for the year ended on that date, according to the best of their information, knowledge and belief respectively. And affiants further say that such corporation has not directly or indirectly, during the year covered by this report, paid, used, offered, consented or agreed to pay or use any money or property for or in aid of any political party, committee or organization, or for or in aid of any corporation, joint stock or other association organized or maintained for political purposes, or for or in aid of any candidate for political office, or for nomination for such office, or for any political purpose whatsoever, or for the reimbursement or indemnification of any person for money or property so used.  
 Subscribed and sworn to before me, this 31st day of January, A.D., 2002.  
 Robert Brooks  
 Mary Galley

MARY GALLEY  
 Notary Public, State of Ohio  
 My Commission Expires Feb 28, 2005

SCHEDULE A.

Containing a brief description of all the real estate owned by the Association, with the cost and market value thereof, and also the value of the same as shown on the books with a correct statement of the nature and amount of all liens and encumbrances thereon.

| No. | Quantity or Dimensions and Location of Land: Size and Description of Buildings | Valuation of Premises |    | Cost Value of Premises |  | Description and Nature of Incumbrances | Amount of Incumbrances |  |
|-----|--|-----------------------|----|------------------------|--|--|------------------------|--|
|     |  |                       |    |                        |  |  |                        |  |
|     | 7.78 Acres Washington Twp Nelson Co  | 47000                 | -  |                        |  |  |                        |  |
|     | Office B Bldg  | 163316                | 39 |                        |  |  |                        |  |
|     |  | 210316                | 39 |                        |  |  |                        |  |

SCHEDULE B.

Containing a description of all mortgages, being first liens, owned on the 31st day of December, 20\_\_

| Date of Mortgage. | MORTGAGE RECORDED |                 |       | Amount of Principal unpaid | Interest due and accrued. | Value of Property Mortgaged. | Amount of Insurance held by the Association on the buildings. | LOCATION STREET AND NO.       |
|-------------------|-------------------|-----------------|-------|----------------------------|---------------------------|------------------------------|---|-------------------------------|
|                   | In County of.     | Book of Mortg's | Page. |                            |                           |                              |   |                               |
| 8-19-98           | Nelson            | 15              | 247   | 67110.54                   |                           | 150000                       | 150000-   | 14084 Co Rd 100 LaRavelle (U) |
| TOTAL             |                   |                 |       |                            |                           |                              |   |                               |

†From line 12 deduct line 42 of last year and add line 42 of this statement

**Washington Mutual Insurance Assn  
2002 Annual Statement Supplement**

**Income - Line 9**

|  |           |                   |
|--|-----------|-------------------|
| Late charges                                 | \$        | 4,066.57          |
| Reinsurance recoveries Salvage & Subrogation | \$        | 664,365.78        |
| Commissions received                         | \$        | 122,035.76        |
| Misc   | \$        | <u>3,952.18</u>   |
| <b>Total</b>                                 | <b>\$</b> | <b>794,420.29</b> |

**Expenses - Line 22**

|  |           |                     |
|--|-----------|---------------------|
| Depreciation                               | \$        | 13,657.64           |
| Insurance                                  | \$        | 1,215.00            |
| Employee Benefits                          | \$        | 34,860.67           |
| Misc travel (auto 721.60) (travel 1971.72) | \$        | 3,421.06            |
| Utilities                                  | \$        | 15,436.59           |
| Dues & publications                        | \$        | 3,622.00            |
| Donations                                  | \$        | 347.00              |
| Maintenance                                | \$        | 7,898.02            |
| Reinsurance                                | \$        | 661,587.80          |
| Supplemental Premiums                      | \$        | 577,333.54          |
| Payroll tax                                | \$        | 20,357.09           |
| Real estate tax                            | \$        | 3,991.98            |
| Franchise tax                              | \$        | 200.00              |
| Corp FIT                                   | \$        | -                   |
| Advertising                                | \$        | 2,659.01            |
| Mine subsidence premiums                   | \$        | 6,688.88            |
| Muni bond premiums                         | \$        | 951.33              |
| New Equipment purchased                    | \$        | 16,975.94           |
| Misc.                                      | \$        | 8,361.34            |
| Capital losses                             | \$        | <u>5,348.70</u>     |
| <b>Total</b>                               | <b>\$</b> | <b>1,384,913.59</b> |

**Other Cash Assets - Line 33**

|                 |           |                     |
|-----------------|-----------|---------------------|
| Treasury bills  | \$        | 145,000.00          |
| Municipal bonds | \$        | 1,034,811.07        |
| Select fund     | \$        | <u>4,871.87</u>     |
| <b>Total</b>    | <b>\$</b> | <b>1,184,682.94</b> |

**Other property - Line 37**

|  |           |                     |
|--|-----------|---------------------|
| Furniture & Fixtures                       | \$        | 18,244.60           |
| Auto                                       | \$        | 29,077.86           |
| Reinsurance recoverable-paid claims        | \$        | 868,599.04          |
| Reinsurance recoverable-outstanding claims | \$        | <u>1,360,340.00</u> |
| <b>Total</b>                               | <b>\$</b> | <b>2,276,261.50</b> |