

HEARTLAND FARM MUTUAL INC.

Summary Consolidated Statement of Financial Position
(in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Cash	\$ 22,787	\$ 34,207
Invested assets	194,382	178,470
Due from brokers	4,026	4,171
Premiums receivable from policyholders	28,664	27,576
Accrued investment income	599	677
Insurance and other receivables	2,039	1,822
Deferred income taxes	490	613
Reinsurers' share of:		
Unearned premiums	529	900
Unpaid claims and adjustment expenses	27,703	32,867
Deferred policy acquisition costs	15,128	13,504
Property and equipment	7,034	7,131
Intangible assets	11,579	2,835
Other assets	1,429	1,064
	<hr/>	<hr/>
	\$ 316,389	\$ 305,837
Liabilities		
Expenses due and accrued	\$ 4,269	\$ 4,423
Due to other insurers	271	2,718
Due to brokers	5,166	4,515
Income taxes payable	2,074	2,461
Provision for unpaid claims	116,452	128,144
Unearned reinsurance commissions	91	103
Unearned premiums	67,003	64,943
Total liabilities	<hr/> 195,326	<hr/> 207,307
Surplus for the protection of policyholders		
Policyholders' equity	111,464	86,410
Accumulated other comprehensive income	9,599	12,120
Total surplus	<hr/> 121,063	<hr/> 98,530
	<hr/>	<hr/>
	\$ 316,389	\$ 305,837

On behalf of the Board: Larry Binning, Chair, Louis Durocher, Director

HEARTLAND FARM MUTUAL INC.

Summary Consolidated Statement of Income and Comprehensive Income
(in thousands of dollars)

For the year ended December 31, 2020, with comparative information for 2019

	2020	2019
Gross written premiums	\$ 132,500	\$ 128,396
Reinsurance ceded	(12,580)	(16,171)
Net written premiums	119,920	112,225
Change in unearned premiums		
Gross amount	(2,060)	(239)
Reinsurer's share	368	(200)
	(1,692)	(439)
Net premiums earned	118,228	111,786
Other	2,664	867
Underwriting revenue	120,892	112,653
Underwriting expenses		
Gross claims and adjustments expenses	63,775	91,555
Reinsurer's share of claims and adjustment expenses	(10,013)	(23,532)
Net claims and adjustment expense	53,762	68,023
Commissions	24,811	23,715
Premium taxes	3,896	3,649
Salaries and benefits	10,152	9,947
Operating expenses	6,815	5,175
	99,436	110,509
Underwriting income	21,456	2,144
Interest income	3,828	4,573
Investment expenses	(486)	(496)
Realized gain on available-for-sale financial assets	4,491	655
Unrealized gain on financial assets at fair value through profit or loss	5,065	1,497
Income before income taxes	34,354	8,373
Income taxes		
Current	9,176	1,249
Deferred	124	474
	9,300	1,723
Net income	\$ 25,054	\$ 6,650
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale assets arising during the period, net of tax \$281 (2019 - \$1,204)	\$ 780	\$ 3,419
Reclassification of realized (gain)/loss on available-for-sale financial assets to net income, net of tax of \$(1,190) (2019 - \$(170))	(3,301)	(485)
Other comprehensive income (loss)	(2,521)	2,934
Total comprehensive income	\$ 22,533	\$ 9,584