

Caradoc Townsend Mutual Insurance Company
Statement of Financial Position

	Caradoc		Townsend	2017 Combined		2018 CTM	
	Dec 31/17	FMV Adj.	FMV	Dec 31/17	Total	Total	Change
			(Note 25/p.32)				
Assets							
Cash	98,330	-	98,330	120,680	219,010	1,848,248	1,629,238
Investments	7,946,795	-	7,946,795	13,761,309	21,708,104	18,614,237	(3,093,867)
Accrued investment income	16,978	-	16,978	74,989	91,967	90,614	(1,353)
Due from policyholders	585,608	-	585,608	3,223,881	3,809,489	3,750,099	(59,390)
Due from reinsurer	-	-	-	10,000	10,000	59,291	49,291
Due from Facility Association	-	-	-	72,857	72,857	110,206	37,349
Miscellaneous accounts receivable	652	-	652	55,459	56,111	1,536	(54,575)
Income taxes recoverable	-	-	-	60,599	60,599	1,795	(58,804)
Reinsurers' share of unearned premiums	-	-	-	99,077	99,077	122,688	23,611
Deferred policy acquisition expenses	145,597	-	145,597	1,053,710	1,199,307	1,513,000	313,693
Deferred income taxes	9,275	27,525	36,800	141,000	177,800	761,000	583,200
Investment in associate	-	-	-	589,598	589,598	636,442	46,844
Property and equipment	304,537	315,576	620,113	1,666,787	2,286,900	2,246,436	(40,464)
Reinsurers' share of provision for unpaid claims	358,638	23,000	381,638	863,262	1,244,900	2,667,934	1,423,034
	<u>9,466,410</u>	<u>366,101</u>	<u>9,832,511</u>	<u>21,793,208</u>	<u>31,625,719</u>	<u>32,423,526</u>	<u>797,807</u>
Liabilities			-				
Accounts payable	198,216	-	198,216	586,504	784,720	517,200	(267,520)
Due to other insurance companies	16,457	-	16,457	228,520	244,977	171,703	(73,274)
Unearned premiums	1,190,335	-	1,190,335	5,189,901	6,380,236	6,335,261	(44,975)
Unearned commission revenue	-	-	-	28,349	28,349	31,874	3,525
Provision for unpaid claims and adj.expenses	1,059,530	84,000	1,143,530	5,739,247	6,882,777	9,151,834	2,269,057
	<u>2,464,538</u>	<u>84,000</u>	<u>2,548,538</u>	<u>11,772,521</u>	<u>14,321,059</u>	<u>16,207,872</u>	<u>1,886,813</u>
Surplus	<u>7,001,872</u>	<u>282,101</u>	<u>7,283,973</u>	<u>10,020,687</u>	<u>17,304,660</u>	<u>16,215,654</u>	<u>(1,089,006)</u>
	<u>9,466,410</u>	<u>366,101</u>	<u>9,832,511</u>	<u>21,793,208</u>	<u>31,625,719</u>	<u>32,423,526</u>	<u>797,807</u>



Caradoc Townsend Mutual Insurance Company
Statement of Income

	2017 Combined			2018 CTM	Change
	Caradoc	Townsend	Total	Total	
Underwriting Operations					
Gross premiums written	2,306,128	10,444,545	12,750,673	13,081,147	
Deduct: reinsurance ceded	(414,270)	(2,553,927)	(2,968,197)	(2,347,297)	
Net premiums written	<u>1,891,858</u>	<u>7,890,618</u>	<u>9,782,476</u>	<u>10,733,850</u>	951,374
Decrease (increase) in unearned premiums	<u>(54,698)</u>	<u>(289,415)</u>	<u>(344,113)</u>	<u>68,586</u>	
Net premium earned	<u>1,837,160</u>	<u>7,601,203</u>	<u>9,438,363</u>	<u>10,802,436</u>	1,364,073
Service charges					
Service charges	16,418	136,790	153,208	156,765	
Other	-	8,206	8,206	16,594	
	<u>16,418</u>	<u>144,996</u>	<u>161,414</u>	<u>173,359</u>	
Total underwriting revenue	<u>1,853,578</u>	<u>7,746,199</u>	<u>9,599,777</u>	<u>10,975,795</u>	1,376,018
Direct losses incurred					
Gross claims and adjustment expenses	831,431	4,754,788	5,586,219	10,516,834	
Reinsurer's share of claims and adj.expense	295,997	(29,357)	266,640	(2,799,422)	
	<u>1,127,428</u>	<u>4,725,431</u>	<u>5,852,859</u>	<u>7,717,412</u>	1,864,553
Expenses					
Fees, commissions and acquisition expenses	261,205	1,417,195	1,678,400	1,873,801	
General expenses (see attached)	855,478	2,481,222	3,336,700	3,011,763	
Premium deficiency adjustments	(78,161)	2,473	(75,688)	(20,871)	
	<u>1,038,522</u>	<u>3,900,890</u>	<u>4,939,412</u>	<u>4,864,693</u>	(74,719)
Underwriting loss	<u>(312,372)</u>	<u>(880,122)</u>	<u>(1,192,494)</u>	<u>(1,606,310)</u>	(413,816)
Investment income	<u>252,182</u>	<u>692,924</u>	<u>945,106</u>	<u>(65,896)</u>	(1,011,002)
Loss before income taxes	<u>(60,190)</u>	<u>(187,198)</u>	<u>(247,388)</u>	<u>(1,672,206)</u>	(1,424,818)
Income taxes					
Deferred	(7,061)	(80,000)	(87,061)	(583,200)	(496,139)
Net loss for the year	<u>(53,129)</u>	<u>(107,198)</u>	<u>(160,327)</u>	<u>(1,089,006)</u>	(928,679)

Caradoc Townsend Mutual Insurance Company
Schedule of General Expenses

	2017 Combined			2018 CTM
	Caradoc	Townsend	Total	Total
Advertising	13,387	22,373	35,760	64,683
Association fees	23,621	56,305	79,926	59,523
Bad debts	5,966	8,466	14,432	19,776
Bank charges	5,095	35,962	41,057	67,641
Computer	105,097	460,296	565,393	550,170
Contracted services	15,440	-	15,440	27,827
Directors fees	36,502	56,725	93,227	78,593
Donations	-	32,253	32,253	34,271
Inspections and investigations	-	73,617	73,617	52,545
Insurance	31,709	61,994	93,703	74,637
Loss prevention rebates and supplies	-	2,787	2,787	5,164
Occupancy cost (Note A)	74,342	123,964	198,306	157,211
Operating leases	-	90,794	90,794	188,202
Other	8,531	30,181	38,712	20,778
Pension deficit contribution (recovery)	40,905	102,309	143,214	(95,476)
Postage	6,201	32,521	38,722	32,435
Premium tax	9,307	21,461	30,768	32,004
Printing and stationery	20,272	48,827	69,099	69,348
Professional fees	56,656	141,724	198,380	173,840
Salaries	281,233	715,645	996,878	906,871
Employee benefits	81,537	194,879	276,416	230,124
Scholarships	-	12,000	12,000	10,000
Seminars, conventions and meetings	35,775	52,306	88,081	122,375
Statistics and reports	-	36,836	36,836	36,290
Telephone	3,902	25,907	29,809	29,437
Vehicle and travel	-	41,090	41,090	63,494
	<u>855,478</u>	<u>2,481,222</u>	<u>3,336,700</u>	<u>3,011,763</u>

Note A - Caradoc includes HP lease in Occupancy costs, t/f no separate breakdown available for 2017