

ANNUAL STATEMENT
For the Year Ended December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

FARMERS MUTUAL RELIEF ASSOCIATION

(Write here the full corporate name of the Association)

Located at Upper Sandusky, Wyandot County

IN THE STATE OF OHIO

TO THE

SUPERINTENDENT OF INSURANCE OF THE STATE OF OHIO

AS REQUIRED BY LAW

Incorporated June 18, 1877 Commenced Business June 1884

President Donald P. Ralph Postoffice 5311 Mecker-Upper Sandusky Road, Morral, Ohio

Secretary David C. Poling Postoffice 11662 Township Road, Dunkirk, Ohio

Principal Office of the Association 97 Houpt Drive C, P. O. Box 239, Upper Sandusky, Ohio

Main Administrative Office 419 294-2862
(Area Code) (Telephone Number)

DIRECTORS OR TRUSTEES

Donald P. Ralph David C. Poling Larry Roll

Clair Dudgeon Charles Gabel Rick McCullough

Howard Watkins, Jr. Gene Perry Carlton Dietsch

David Karcher Dennis Lenhart

Gary Gwinn John Keller

BALANCE PREVIOUS YEAR		
1. *Amount of actual cash assets, December 31, of previous year.....		5,261,942
I. INCOME DURING 2002		
2. Amount actually received during the year for assessments.....	4,034,718	
2a. Amount actually received during the year for delinquent assessments and fees.....		
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.....		
6. Total of items 2 to 5 (carried out).....		4,034,718
7. Received for interest.....		149,759
8. Borrowed money actually received during the year.....		
8a. Vouchers, checks or warrants paid by banks or individuals and held at interest.....		
9. Income received from all other sources, viz..... {See Attached Schedule}		1,636,513
.....		
.....		
10. Aggregate amount of income actually received during the year in cash		5,820,990
11. Total of last balance and income.....		11,082,932
II. EXPENDITURES DURING 2002		
12. Amount actually paid for losses during the year.....		3,227,982
13. Amount of cash paid or returned during the year to members who have discontinued their policies or who have overpaid.....		8,037
14. Paid for commissions.....		746,204
15. Paid for salaries, fees, and all other charges of officers, clerks, agents and all other employees.....		523,586
16. Borrowed money actually repaid during the year.....		27,132
16a. Vouchers, checks or warrants paid by banks or individuals taken up.....		
17. Interest on borrowed money.....		4,693
17a. Interest on vouchers, checks or warrants paid by banks or individuals.....		
18. Printing, stationery and postage.....		36,275
19. Attorney fees.....		14,062
20. Rent.....		
21. Insurance department fees.....		
22. All other payments and expenditures, viz:..... {See Attached Schedule}		1,491,410
.....		
.....		
23. Aggregate of actual expenditures during the year in cash.....		6,079,381
24. Balance.....		5,003,551

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

III. ASSETS DECEMBER 31, 2002		
25. Cash in bank (as per bank's record).....	880,631	
26. Deduct outstanding checks.....	245,318	
27. Balance in bank (as per association's record).....		635,313
28. Cash in association's office.....		200
29. Total cash in office and bank.....		635,513
30. Value of real estate owned by the association as specified in schedule A.....		32,943
31. Loans on mortgage, as specified in schedule B.....		
32. Loans on collateral security.....		
33. All other actual cash assets in possession, belonging to the association, viz:.....{See Attached Schedule }...		4,335,095
34. (a) Total actual cash assets of association as per balance (line 24), (total of items 25 to 33).....		5,003,551
35. Interest due and accrued.....		42,446
36. Gross assessments and membership fees in course of collection not more than three months due.....		87,514
37. All other property belonging to the association, viz:.....{See Attached Schedule }.....		342,681
38. Aggregate amount of all the assets of the association.....		5,476,192
IV. LIABILITIES DECEMBER 31, 2002		
39. Gross claims for adjusted and unpaid losses due and to become due.....	275,731	
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.....		275,731
43. Due and accrued for salaries, rent, advertising, and for agency and other miscellaneous expenses.....		8,365
44. **Due and to become due for borrowed money; vouchers, checks or warrants paid by banks or individuals...		26,189
45. Due and to become due for interest on borrowed money; vouchers, checks or warrants paid by banks or individuals.....		
46. Commissions, brokerage and other charges due and to become due to agents.....		119,294
47. All other demands against the association, absolute and contingent, due and to become due, admitted and contested,		
.....Accounts payable wholly owned agency		703,426
48. Total amount of all liabilities.....		1,133,005
49. †Net assets.....		4,343,187
50. ‡Excess of liabilities over assets.....		
51. ††Total gross assets.....		5,476,192

(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.

FARMERS MUTUAL RELIEF ASSOCIATION

Supporting Schedules

December 31, 2002

Form 7

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All other payments and expenditures, viz:

Reinsurance paid	862,611
Film and processing costs	3,007
Directors fees	110,568
Directors meals	1,269
Payroll taxes	40,061
Pension	23,408
Employee insurance	52,854
Travel and conventions	19,371
Vehicle expenses	1,743
Advertising	5,085
Professional fees	14,173
Data processing	7,743
Inspection fees	6,502
Taxes and licenses	5,522
Building depreciation	1,823
Repairs and maintenance	18,935
Dues and subscriptions	20,410
Office supplies	10,376
Computer services	8,860
Copy and printer supplies	112
Telephone	29,476
Utilities	778
Rent	45,154
Cleaning services	3,509
Insurance	15,440
Miscellaneous	4,229
Loss on investments sold	122,736
Investment management fee	32,069
Equipment purchased	23,586
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Total	<u>1,491,410</u>

FARMERS MUTUAL RELIEF ASSOCIATION

Supporting Schedules

December 31, 2002

Form 7

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All other property belonging to the association, viz:

Reinsurance receivable	111,450
Prepaid expenses	10,713
Prepaid reinsurance	69,270
Prepaid commissions	151,248

Total

342,681