

ANNUAL STATEMENT

RECEIVED

MAR 05 2012

OFRS

For the Year Ended

December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

RICHMOND FARMERS' MUTUAL INSURANCE CO.

ORGANIZED UNDER THE LAWS OF THE STATE OF OHIO

Made to the

INSURANCE COMMISSIONER OF THE STATE OF OHIO

Pursuant to the Laws thereof

NAIC Company Code

10269

Home Office

110 S. Walnut St.
Street and Number

Richmond, 43944-0281
City Zip Code

OH

Mail Address

P.O. Box 281
Street and Number

Richmond, 43944-0281
City Zip Code

OH

Main Administrative Office

(740) 765-4351
Telephone Number

Organized

Commenced Business

Annual Statement Contact Person Phillip J. Flenniken

Telephone Number (740) 765-4351

Contact Person Email Address richmond.insurance@yahoo.com

OFFICERS

President

Raymond Piergallini

Vice President

W. Richard Baker

Secretary

Valerie L. Stine

Treasurer

Phillip J. Flenniken

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

Raymond Piergallini

Brad Cain

W. Richard Baker

David H. Robinson

James W. Newburn, Sr.

Robert C. Scott

State of Ohio

County of

Jefferson

Raymond Piergallini

President and

Linda Vince

Secretary of the

RICHMOND FARMERS' MUTUAL INSURANCE CO.

, being duly sworn each for himself/herself deposes and says, that they are the above described officers of said reporting entity, and that on the reporting period stated above all the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, with the schedules and explanations herein contained, annexed or referred to, is a full and correct statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, according to the best of their information, knowledge and belief, respectively.

Subscribed and sworn to before me, this 29th

day of February 2012

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**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

ASSETS

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1	Bonds (Schedule D - Part 1)	0.00	0.00	0.00	
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	53,359.57	0.00	53,359.57	26,829.61
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	
4	Cash (Schedule E)	71,583.00	0.00	71,583.00	94,320.41
5	Short-term investments	100,015.34	0.00	100,015.34	99,384.23
6	Aggregate write-ins for invested assets		0.00	0.00	
7	Subtotals, cash and invested assets	224,957.91	0.00	224,957.91	220,534.25
8	Investment income due and accrued		0.00	0.00	
9.1	Assessments or premiums in the course of collection (including agents balances)		0.00	0.00	
9.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due		0.00	0.00	
9.3	Earned but unbilled premiums (post assessment)		0.00	0.00	
10.1	Amounts recoverable from reinsurers		0.00	0.00	
10.2	Funds held by or deposited with reinsured companies		0.00	0.00	
11.1	Current federal income tax recoverable and interest thereon		0.00	0.00	
11.2	Net deferred tax asset		0.00	0.00	
12	Electronic data processing equipment and software		0.00	0.00	
13	Furniture and equipment		0.00	0.00	
14	Receivables from parent, subsidiaries and affiliates		0.00	0.00	
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00	0.00
16	Total Assets	224,957.91	0.00	224,957.91	220,534.25
	Details of Write-Ins for Assets:				
1501				0.00	
1502				0.00	
1503				0.00	
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00	0.00

**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	0.00	
2	Unpaid loss adjustment expenses (Underwriting Exhibit - Part 2A)	0.00	
3	Commissions due and payable to agents		
4	Other expenses (excluding taxes, licenses and fees)		
5	Taxes, licenses and fees (excluding federal income taxes)		
6	Current federal income taxes (including \$0 on realized capital gains (losses))		
7	Net deferred tax liability		
8	Borrowed money and interest thereon		
9	Unearned assessment/premium reserve	8,406.73	8,669.00
10	Advance premium		
11	Ceded reinsurance premiums payable		
12	Funds held by company under reinsurance treaties		
13	Amounts withheld or retained by company for account of others		
14	Provision for unauthorized reinsurance		
15	Payable to parent, subsidiaries and affiliates		
16	Aggregate write-ins for liabilities	0.00	0.00
17	Total liabilities	8,406.73	8,669.00
18	Surplus as regards policyholders	226,185.62	211,865.25
19	Total liabilities and surplus	234,592.35	220,534.25
	Details of Write-Ins for Liabilities:		
1601			
1602			
1603			
1698	Summary or remaining write-ins from overflow page	0.00	0.00
1699	Total aggregate write-ins	0.00	0.00

ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.
STATEMENT OF INCOME

2011

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	75,326.72	94,581.49
1.2	Less: Return Assessments/Premiums earned	765.93	375.91
1.3	Direct Assessments/Premiums earned	74,560.79	94,205.58
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	26,337.11	20,564.94
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	20,564.94	
1.6	Net Assessments/Premiums earned	68,788.62	73,640.64
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	19,861.31	18,318.01
3	Loss expenses incurred (Expense Exhibit)	0.00	
4	Other underwriting expenses incurred (Expense Exhibit)	34,606.94	29,010.50
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	54,468.25	47,328.51
7	Net underwriting gain (loss)	14,320.37	26,312.13
	INVESTMENT INCOME		
8	Net investment income earned		3,175.15
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	0.00	3,175.15
	OTHER INCOME		
11	Net gain (loss) from agents' or premium balances charged off		
12	Finance and service charges not included in premiums		
13	Aggregate write-ins for miscellaneous income	0.00	0.00
14	Total other income	0.00	0.00
15	Net income, after capital gains tax and before federal income taxes	14,320.37	29,487.28
16	Federal income taxes incurred		
17	Net income	14,320.37	29,487.28
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	211,865.25	182,377.97
19	Net income	14,320.37	29,487.28
20	Change in net unrealized capital gains or (losses) less capital gains tax		
21	Change in net deferred income tax		
22	Change in nonadmitted assets (Exhibit of Nonadmitted Assets)	0.00	
23	Change in provision for reinsurance		
24	Aggregate write-ins for gains and losses in surplus	0.00	0.00
25	Change in surplus as regards policyholders for the year	14,320.37	29,487.28
26	Surplus as regards policyholders, December 31 current year	226,185.62	211,865.25
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301			
1302			
1303			
1304			
1399	Total Aggregate write-ins for miscellaneous income	0.00	0.00
2401			

**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

CASH FLOW STATEMENT

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	82,967.52	92,541.21
2	Net investment income	631.54	1,950.13
3	Miscellaneous income		
4	Total	83,599.06	94,491.34
5	Benefit and loss related payments	19,681.31	4,821.41
6	Commissions, expenses paid and aggregate write-ins for deductions	61,024.05	52,738.67
7	Federal and foreign income taxes paid (recovered)		
8	Total	80,705.36	57,560.08
9	Net cash from operations	2,893.70	36,931.26
Cash from Investments			
10	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		
10.2	Stocks		
10.3	Real estate		
10.4	Net gains (losses) on cash, cash equivalents and short- term investments		
10.5	Miscellaneous proceeds	-25,000.00	
10.6	Total investment proceeds	-25,000.00	0.00
11	Cost of investments acquired (long-term only):		
11.1	Bonds		
11.2	Stocks		
11.3	Real estate		
11.4	Miscellaneous applications		
11.5	Total investments acquired	0.00	0.00
11.6	Net cash from investments	-25,000.00	0.00
Cash from Financing and Miscellaneous Sources			
12.1	Borrowed funds (cash provided/applied)		
12.2	Other cash provided (applied)		
13	Net cash from financing and miscellaneous sources	0.00	0.00
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
14	Net change in cash, cash equivalents and short-term investments	-22,106.30	36,931.26
15.1	Beginning of year (cash, cash equivalents and short-term investments)	193,704.64	156,773.38
15.2	End of year (cash, cash equivalents and short-term investments)	171,598.34	193,704.64

**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

EXPENSE EXHIBIT

		Current Year
1.1	Claim Adjusting: Direct	
1.2	Reinsurance assumed	
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	
1.4	Net claim adjusting	0.00
2.1	Commission and Brokerage: Direct commission and brokerage	
2.2	Reinsurance assumed excluding contingent	
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	
2.4	Contingent - direct (commission and brokerage)	
2.5	Contingent - reinsurance assumed (commission and brokerage)	
2.6	Contingent - reinsurance ceded (commission and brokerage)	
2.7	Policy and membership fees (commission and brokerage)	1,670.00
2.8	Net commission and brokerage	1,670.00
3	Allowances to managers and agents	
4	Advertising	1,947.00
5	Boards, bureaus and associations	
6	Surveys and underwriting reports	
7	Audit of assureds' records	
8.1	Salary and related items: Salaries	11,995.54
8.2	Payroll taxes	3,943.40
9	Employee relations and welfare	
10	Insurance	3,961.80
11	Directors' fees	500.00
12	Travel and travel items	70.50
13	Rent and rent items	360.00
14	Equipment	
15	Cost or depreciation of EDP equipment and software	4,739.41
16	Printing and stationery	83.05
17	Postage, telephone, exchange and express	244.20
18	Legal and auditing	3,328.70
19	Loss adjustment expenses	
18	Investment expenses	
19	Totals	31,173.60
20.1	Taxes, licenses and fees: State and local insurance taxes	
20.2	Insurance department licenses and fees	
20.3	All other (excluding federal income and real estate)	1,622.00
20.4	Total taxes, licenses and fees	1,622.00
21	Real estate expenses	
22	Real estate taxes	
23	Aggregate write-ins for miscellaneous expenses	141.34
24	Total expenses incurred (a)	34,606.94
25	Less unpaid expenses - current year	
26	Add unpaid expenses - prior year	
27	Total expenses paid	34,606.94
	Details of Write-Ins:	
2301	Miscellaneous	21.34
2302	Education	120.00

ANNUAL STATEMENT FOR THE YEAR 2011
RICHMOND FARMERS' MUTUAL INSURANCE CO.

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	13,022,425	158
2	Written during the year	916,000	12
3	Total	13,938,425	170
4	Deduct those expired and cancelled	930,500	15
5	In force December 31 of current year	13,007,925	155
6	Deduct amount reinsured	0	XXX
7	Net amount in force	13,007,925	XXX

**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

**UNDERWRITING EXHIBIT - PART 2
LOSSES INCURRED**

1	2	3	4	5	6
Lines of Business	Direct Losses Incurred	Losses Incurred on Reinsurance Assumed	Deduct: Reinsurance Recovered on Incurred Losses	Deduct: Salvage and Subrogation Converted To Cash	Net Losses Incurred Columns 2 and 3 minus Columns 4 and 5
Fire Loss		2,350.00			2,350.00
Lightning Loss		2,069.33			2,069.33
Wind Loss		1,945.38			1,945.38
Vandalism/Malicious Mischeif Loss		13,496.60			13,496.60
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ -	\$ 19,861.31	\$ -	\$ -	\$ 19,861.31

* Total should equal Line 2, Page 4, Current Year.

**UNDERWRITING EXHIBIT - PART 2A
UNPAID LOSSES and LOSS ADJUSTMENT EXPENSES**

1	2	3	4	5	6
Lines of Business	Direct Unpaid Losses	Unpaid Losses on Reinsurance Assumed	Deduct: Reinsurance Recoverable on Unpaid Losses	** Unpaid Loss Adjustment Expenses	*** Net Unpaid Losses Columns 2 and 3 minus Column 4
					-
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ -	\$ -	\$ -	\$ -	\$ -

** Total should equal Line 2, Page 3, Current Year.

*** Total should equal Line 1, Page 3, Current Year.

**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

EXHIBIT OF NONADMITTED ASSETS

		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1	Bonds			0.00
2	Preferred and common stocks and mutual funds			0.00
3	Real estate (less liens, encumbrances)			0.00
4	Cash			0.00
5	Short-term investments			0.00
6	Aggregate write-ins for invested assets			0.00
7	Subtotals, cash and invested assets	0.00	0.00	0.00
8	Investment income due and accrued			0.00
9.1	Assessments or premiums in the course of collection (including agents balances)			0.00
9.2	Premium receivable for advance pay			0.00
9.3	Earned but unbilled premiums (post assessment)			0.00
10.1	Amounts recoverable from reinsurers			0.00
10.2	Funds held by or deposited with reinsured companies			0.00
11.1	Current federal income tax recoverable and interest thereon			0.00
11.2	Net deferred tax asset			0.00
12	Electronic data processing equipment and software			0.00
13	Furniture and equipment			0.00
14	Receivables from parent, subsidiaries and affiliates			0.00
15	Aggregate write-ins for other than invested assets	0.00	0.00	0.00
16	Total Assets	0.00	0.00	0.00
	Details of Write-Ins for Assets:			
1501		0.00	0.00	0.00
1502		0.00	0.00	0.00
1503		0.00	0.00	0.00
1598	Summary or remaining write-ins from overflow page	0.00	0.00	0.00
1599	Total aggregate write-ins	0.00	0.00	0.00

SCHEDULE A

Showing All Real Estate **OWNED** December 31 of Current Year

	2	3	4	5	6	7	8	9	10
	Date Acquired	Name of Vendor	Actual Cost	Current Year Acquisitions or Permanent Improvements	Accumulated Depreciation	Amount of Encumbrances	Book Value End of Current Year (Col. 4+5-6-7) *	Gross Income Current Year (Real Estate)	Gross Expenses Current Year (Real Estate)
	- - - - -						-		
	- - - - -						-		
	- - - - -						-		
	- - - - -						-		
	- - - - -						-		
	- - - - -						-		
	- - - - -						-		
	XXX	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Current Year.

FURNITURE, FIXTURES and AUTOMOBILES

Showing All Furniture, Fixtures and Automobiles **OWNED** December 31 of Current Year

[illegible]

SCHEDULE D - PART 2
Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

[illegible]

RICHMOND FARMERS' MUTUAL INSURANCE CO.

Showing all Bonds and Preferred & Common Stocks ACQUIRED During the Current Year

[illegible][illegible]

13

1	2	3	4	5	6	7	8
Reinsurer or Reinsured	Ceded or Assumed	Location of Company	Total Amount Reinsured	Total Premiums Ceded *	Total Premiums Assumed **	Largest Risk Ceded or Assumed	Remarks
Grinnell Mutual		Iowa		26,337.11	20,564.94		
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 26,337.11	\$ 20,564.94	XXX	XXX

****Total to agree with Page 4, Line 1.5, Current Year.**

Show all salaries, commissions, claim adjustment expenses, directors fees and expenses, and travel items paid in the current year for the top 5 officers/employees and all directors, travel or car allowances, if paid, are to be included.

[illegible]

1. Company's retention:	Fire	\$25,000	Wind	\$25,000	Other	
1a. Retention before reinsurance applies for:	Catastrophe Reinsurance			Aggregate excess of loss		
2. What is the largest risk assumed and retained:		\$384,000				
3. What kind of perils are being covered?	Fire, Wind, Lightning					
4. Have the by-laws been amended during the current year?	No		If so, were such amendments filed with the Ohio Department of Insurance?			
5. In what counties does the Company operate:	Belmont, Carroll, Columbiana, Harrison, Jefferson, Monroe					
6. Name of Principal Officer and amount of bond.	Raymond Piergallini, President					
7. Are all of the persons who handle funds of the Company bonded?	Yes	X	No			
State the name and amount of each bond on each, except person named in Item 6 above.						
Philip J. Flenniken, Treasurer, \$1,000,000						
8. Does the Company have an annual audit conducted by an independent CPA?	No					
9. State the number of members holding policies in the Company.	155					
10. Was an annual report of the Company made available to each policyholder?	Yes	If so, did such report agree				
with the annual statement filed with the Ohio Department of Insurance?						
11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance.	Aug-11					
12. How many assessments were made during the year?	7	Date of last assessment				
13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?	Yes					
14. Rate of policy fee	5.85-12.53					
15. State the amount of borrowed money since date of last assessment	0 interest thereon					
16. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this Company which is NOT						

2011

Showing All Balances (according to Company's Records) Carried in Each Bank or Savings and Loan

[illegible]

**ANNUAL STATEMENT FOR THE YEAR
RICHMOND FARMERS' MUTUAL INSURANCE CO.**

2011

ORGANIZATIONAL CHART

**LIST ALL ENTITIES THAT ARE MEMBERS OF AN INSURANCE COMPANY HOLDING SYSTEM AS
DEFINED IN ORC 3901.32**

2011

Additional Write-ins for Assets:

Additional Write-ins for Liabilities:

Additional Write-ins for Statement of Income:

Additional Write-ins for Nonadmitted Assets:

		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets
1504				0.00
1505				0.00
1506				
1507				
1508				
1509				
1510				
1511				0.00
1597	Summary of remaining write-ins for Line 15 page 9	0.00	0.00	0.00

Overflow Page for Investments Owned

SCHEDULE D - PART 1

Showing all BONDS Owned on December 31 of Current Year

[illegible]

SCHEDULE D - PART 2

Showing all Preferred & Common Stocks and Mutual Funds Owned December 31 of Current Year

[illegible]

2011

All Columns Must Be Completed for Each Deposit, CD, Checking Account, etc.

[illegible]