

ANNUAL STATEMENT

For the Year Ended

December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

Farmers Mutual Aid Association

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

10303

Home Office

201 West Canal Street
Street and Number

Ottoville
City

45876-00343
Zip Code

OH

Mail Address

PO Box 343
Street and Number

Ottoville
City

45876-0343
Zip Code

OH

Main Administrative Office

(419) 453-3155
Telephone Number

Organized

February 23, 1904

Commenced Business

July 2, 1904

Annual Statement Contact Person

Art Schnipke

Telephone Number

(419) 453-3155

Contact Person Email Address

OFFICERS

President

Norbert Miller

Vice President

Secretary

Art Schnipke

Treasurer

Art Schnipke

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

Mike Horstman

John Grote

Tom Krietemeyer

Art Ricker

Bruce VonSossan

State of Ohio
County of
Putnam

Norbert Miller

President and

Art Schnipke

Secretary of the

Farmers Mutual Aid Association

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 20 12

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TLM/JAC
10303
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ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association

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)	0.00	0.00	0.00	
3	Real estate (less liens, encumbrances) (Schedule A)	7,547.00	0.00	7,547.00	7,706.00
4	Cash (Schedule E)	545,866.58	0.00	545,866.58	481,560.00
5	Short-term investments		0.00	0.00	
6	Aggregate write-ins for invested assets		0.00	0.00	
7	Subtotals, cash and invested assets	553,413.58	0.00	553,413.58	489,266.00
8	Investment income due and accrued	978.00	0.00	978.00	630.00
9.1	Assessments or premiums in the course of collection (including agents balances)	1,843.81	0.00	1,843.81	4,258.00
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	556,235.39	0.00	556,235.39	494,154.00
	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
Farmers Mutual Aid Association

2011

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	18,500.00	
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)	648.01	2,246.00
5	Taxes, licenses and fees (excluding federal income taxes)	1,929.08	
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	59,644.36	37,286.00
10	Advance premium		
11	Ceded reinsurance premiums payable	2,519.00	2,481.00
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	83,240.45	42,013.00
18	Surplus as regards policyholders	472,998.94	452,141.00
19	Total liabilities and surplus	556,239.39	494,154.00
	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
Farmers Mutual Aid Association
STATEMENT OF INCOME

2011

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	260,110.72	184,727.00
1.2	Less: Return Assessments/Premiums earned		
1.3	Direct Assessments/Premiums earned	260,110.72	184,727.00
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	29,661.84	30,020.00
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	230,448.88	154,707.00
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	84,178.93	84,159.00
3	Loss expenses incurred (Expense Exhibit)	0.00	
4	Other underwriting expenses incurred (Expense Exhibit)	137,139.83	74,038.00
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	221,318.76	158,197.00
7	Net underwriting gain (loss)	9,130.12	-3,490.00
	INVESTMENT INCOME		
8	Net investment income earned	8,556.92	14,029.00
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	8,556.92	14,029.00
	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	3,171.00	0.00
14	Total other income	3,171.00	0.00
15	Net income, after capital gains tax and before federal income taxes	20,858.04	10,539.00
16	Federal income taxes incurred		
17	Net income	20,858.04	10,539.00
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	452,140.90	441,601.90
19	Net income	20,858.04	10,539.00
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	20,858.04	10,539.00
26	Surplus as regards policyholders, December 31 current year	472,998.94	452,140.90
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301		1,821.00	
1302		1,200.00	
1303		150.00	
1304			
1399	Total Aggregate write-ins for miscellaneous income	3,171.00	0.00
2401			

ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association
CASH FLOW STATEMENT

2011

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	296,647.39	183,430.00
2	Net investment income	5,569.60	13,890.00
3	Miscellaneous income		
4	Total	302,216.99	197,320.00
5	Benefit and loss related payments	65,678.93	134,005.00
6	Commissions, expenses paid and aggregate write-ins for deductions	172,231.48	77,596.00
7	Federal and foreign income taxes paid (recovered)		
8	Total	237,910.41	211,601.00
9	Net cash from operations	64,306.58	-14,281.00
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		
10.6	Total investment proceeds	0.00	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	0.00	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	64,306.58	-14,281.00
15.1	Beginning of year (cash, cash equivalents and short-term investments)	481,560.00	495,841.00
15.2	End of year (cash, cash equivalents and short-term investments)	545,866.58	481,560.00

ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association

2011

EXPENSE EXHIBIT

		Current Year
1.1	Claim Adjusting: Direct	0.00
1.2	Reinsurance assumed	0.00
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
1.4	Net claim adjusting	0.00
2.1	Commission and Brokerage: Direct commission and brokerage	21,051.69
2.2	Reinsurance assumed excluding contingent	0.00
2.3	Reinsurance ceded excluding contingent (commission and brokerage)	0.00
2.4	Contingent - direct (commission and brokerage)	0.00
2.5	Contingent - reinsurance assumed (commission and brokerage)	0.00
2.6	Contingent - reinsurance ceded (commission and brokerage)	0.00
2.7	Policy and membership fees (commission and brokerage)	0.00
2.8	Net commission and brokerage	21,051.69
3	Allowances to managers and agents	0.00
4	Advertising	926.09
5	Boards, bureaus and associations	1,654.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
8.1	Salary and related items: Salaries	28,500.00
8.2	Payroll taxes	2,597.60
9	Employee relations and welfare	0.00
10	Insurance	52,468.38
11	Directors' fees	8,776.00
12	Travel and travel items	0.00
13	Rent and rent items	981.48
14	Equipment	0.00
15	Cost or depreciation of EDP equipment and software	159.00
16	Printing and stationery	2,775.53
17	Postage, telephone, exchange and express	2,827.16
18	Legal and auditing	3,710.82
19	Loss adjustment expenses	0.00
18	Investment expenses	0.00
19	Totals	105,376.06
20.1	Taxes, licenses and fees: State and local insurance taxes	0.00
20.2	Insurance department licenses and fees	1,280.00
20.3	All other (excluding federal income and real estate)	5,172.86
20.4	Total taxes, licenses and fees	6,452.86
21	Real estate expenses	4,070.24
22	Real estate taxes	188.98
23	Aggregate write-ins for miscellaneous expenses	0.00
24	Total expenses incurred (a)	137,139.83
25	Less unpaid expenses - current year	0.00
26	Add unpaid expenses - prior year	0.00
27	Total expenses paid	137,139.83
	Details of Write-Ins:	
2301		
2302		
2303		

ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association

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INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	61,761,303	451
2	Written during the year	5,681,819	26
3	Total	67,443,122	477
4	Deduct those expired and cancelled	4,717,600	41
5	In force December 31 of current year	62,725,522	436
6	Deduct amount reinsured	0	XXX
7	Net amount in force	62,725,522	XXX

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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
	84,178.93				84,178.93
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 84,178.93	\$ -	\$ -	\$ -	\$ 84,178.93

* 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
Property	18,500.00				18,500.00
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 18,500.00	\$ -	\$ -	\$ -	\$ 18,500.00

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

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

ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association

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

2011 ANNUAL STATEMENT OF Farmers Mutual Aid Association

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)
1/1/1983		8,500.00	-	953.00		7,547.00		
						-		
						-		
						-		
						-		
						-		
XXX	XXX	\$ 8,500.00	\$ -	\$ 953.00	\$ -	\$ 7,547.00	\$ -	\$ -

Current Year.

FURNITURE, FIXTURES and AUTOMOBILES

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

[illegible]

Farmers Mutual Aid Association

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]

Farmers Mutual Aid Association

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

[illegible]

Each issue of bonds or stocks acquired at public offerings may be totaled in one line and the word "various" inserted in Columns 2 and 3.

Farmers Mutual Aid Association

Showing all Bonds and Preferred & Common Stocks SOLD, REDEEMED OR Otherwise DISPOSED OF During the Current Year

Description

[illegible]

2011

ANNUAL STATEMENT OF Farmers Mutual Aid Association

REINSURANCE SCHEDULE

Reinsurance Ceded and Reinsurance Assumed

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
General Mutual Reinsurance Company	Ceded	4215 HWY 146 PO Bos 790 Grinnell, IA 50112-0790		29,661.84			
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 29,661.84	\$ -	XXX	XXX

*Total to agree with Page 4, Line 1.4, Current Year.

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

COMPENSATION SCHEDULE

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.

1	2	3	4	5	6	7	8	9
Name of Payee	Title	Salaries	Commissions	Claim Adjustment Expenses	Directors Fees & Expenses	Travel & Travel Items	All Other	Total
Officers/Employees:								
1) Norbert Miller	President		1,500.00					\$ 1,500.00
2) Art Schnipke	Secretary/ Treasurer	15,148.00	21,051.69					\$ 36,197.69
3) Virginia Beining	Assistant Secretary	13,354.00						\$ 13,354.00
4)								\$ -
5)								\$ -
Directors:								
Art Ricker	Director		1,400.00					\$ 1,400.00
Bruce Von Sossan	Director		1,400.00					\$ 1,400.00
John Grote	Director		1,350.00					\$ 1,350.00
Mike Horstman	Director		1,400.00					\$ 1,400.00
Tom Krietemeyer	Director		1,400.00					\$ 1,400.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ 28,500.00	\$ 29,501.69	\$ -	\$ -	\$ -	\$ -	\$ 58,001.69

GENERAL INTERROGATORIES

(Answer all questions and attach additional sheets if necessary.)

1. Company's retention: Fire \$0 Wind \$0 Other \$0
 1a. Retention before reinsurance applies for: Catastrophe Reinsurance \$0 Aggregate excess of loss \$132,673
 2. What is the largest risk assumed and retained? \$132,673
 3. What kind of perils are being covered? Form 2 (Broad) Property Only

4. Have the by-laws been amended during the current year? No If so, were such amendments filed with the Ohio Department of Insurance? N/A

5. In what counties does the Company operate: Putnam, Paulding, Van Wert, Allen, Muskingum, Wyandot, Hancock Auglaize, Crawford
 Defiance, Hardin, Marion, Wood, Deleward, Erie, Franklin, Miami, Morgan, Richland

6. Name of Principal Officer and amount of bond. Art Schnipke - \$50,000

7. Are all of the persons who handle funds of the Company bonded? Yes XXX No
 State the name and amount of each bond on each, except person named in Item 6 above. Auto Owners

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. 436

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? Yes

11. State as of what date the latest examination of the Company was made by the Ohio Department of Insurance. 10/4/2009

12. How many assessments were made during the year? 1 Date of last assessment 10/31/2011

13. Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment?

14. Rate of policy fee 0

15. State the amount of borrowed money since date of last assessment 0 interest thereon 0

16. Does any person, firm, corporation or association have any claim, contingent or otherwise, against this Company which is NOT included in the liabilities on page 2 of this statement? Yes No XXX

2011

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

[illegible]

ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association

2011

ORGANIZATIONAL CHART

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

ANNUAL STATEMENT FOR THE YEAR
Farmers Mutual Aid Association
Overflow Page for Write-ins

2011

Additional Write-ins for Assets:

		Assets Current Year	Nonadmitted Assets Current Year	Net Admitted Assets Current Year	Net Admitted Assets Prior Year
1504				0.00	
1505				0.00	
1506					
1507					
1508					
1509					
1510					
1511				0.00	
1597	Summary of remaining write-ins for Line 15 page 2	0.00	0.00	0.00	0.00

Additional Write-ins for Liabilities:

		Current Year	Prior Year
1604			
1605			
1606			
1607			
1608			
1609			
1610			
1606			
1697	Summary of remaining write-ins for Line 16 page 3	0.00	0.00

Additional Write-ins for Statement of Income:

		Current Year	Prior Year
	Summary of remaining write-ins for Statement of Income page 4	0.00	0.00

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]