

ANNUAL STATEMENT

RECEIVED
FEB 28 2012
OFRS

For the Year Ended

December 31, 2011

OF THE CONDITION AND AFFAIRS OF THE

FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

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

10305

Home Office

148 South Main Street
Street and Number

Cadiz
City

43907
Zip Code

OH

Mail Address

148 South Main Street
Street and Number

Cadiz
City

43907
Zip Code

OH

Main Administrative Office

(740) 942-3303
Telephone Number

Organized

April 1, 1898

Commenced Business

July 14, 1893

Annual Statement Contact Person

Lisa Kendzierski

Telephone Number

(740) 942-3303

Contact Person Email Address

jfarmmutual@frontier.com

OFFICERS

President

John Parkinson

Vice President

Marlene Hines

Secretary

Wayne Slater

Treasurer

Wayne Slater

DIRECTORS

(ALL DIRECTORS MUST BE SHOWN)

John Parkinson
Allen Sparrow

Ed Kleski
Marlene Hines

Wayne Slater

John W Parkinson

State of Ohio
County of
Harrison

John Parkinson

President and

Wayne Slater

Secretary of the

FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

, 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 27
day of February, 2012

ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

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)	6,611.00	0.00	6,611.00	5,475.00
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	0.00	
4	Cash (Schedule E)	433,101.00	0.00	433,101.00	425,502.00
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	439,712.00	0.00	439,712.00	430,977.00
8	Investment income due and accrued		0.00	0.00	
9.1	Assessments or premiums in the course of collection (including agents balances)	7,492.00	0.00	7,492.00	8,889.00
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)	51,212.00	0.00	51,212.00	54,547.00
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	498,416.00	0.00	498,416.00	494,413.00
	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 INSURANCE COMPANY OF HARRISON COUNTY

2011

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	4,950.00	11,369.00
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)	597.00	449.00
5	Taxes, licenses and fees (excluding federal income taxes)	666.00	730.00
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	5,981.00	4,274.00
10	Advance premium		
11	Ceded reinsurance premiums payable	2,080.00	2,216.00
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	14,274.00	19,038.00
18	Surplus as regards policyholders	484,142.00	475,375.00
19	Total liabilities and surplus	498,416.00	494,413.00
	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 INSURANCE COMPANY OF HARRISON COUNTY
STATEMENT OF INCOME

2011

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	99,171.00	96,810.00
1.2	Less: Return Assessments/Premiums earned	498.00	135.00
1.3	Direct Assessments/Premiums earned	98,673.00	96,675.00
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	24,626.00	26,449.00
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	74,047.00	70,226.00
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	25,453.00	47,929.00
3	Loss expenses incurred (Expense Exhibit)	0.00	
4	Other underwriting expenses incurred (Expense Exhibit)	46,746.00	46,305.00
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	72,199.00	94,234.00
7	Net underwriting gain (loss)	1,848.00	-24,008.00
	INVESTMENT INCOME		
8	Net investment income earned	5,719.00	15,287.00
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	5,719.00	15,287.00
	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	64.00	12.00
14	Total other income	64.00	12.00
15	Net income, after capital gains tax and before federal income taxes	7,631.00	-8,709.00
16	Federal income taxes incurred		
17	Net income	7,631.00	-8,709.00
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	475,375.00	484,241.00
19	Net income	7,631.00	-8,709.00
20	Change in net unrealized capital gains or (losses) less capital gains tax	1,136.00	-157.00
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	8,767.00	-8,866.00
26	Surplus as regards policyholders, December 31 current year	484,142.00	475,375.00
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301	Miscellaneous Receipts	64.00	12.00
1302			
1303			
1304			
1399	Total Aggregate write-ins for miscellaneous income	64.00	12.00
1401			

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**

2011

CASH FLOW STATEMENT

		Current Year	Prior Year
Cash from Operations			
1	Premiums/Assessments collected net of reinsurance	80,350.00	70,641.00
2	Net investment income	5,719.00	15,287.00
3	Miscellaneous income	64.00	12.00
4	Total	86,133.00	85,940.00
5	Benefit and loss related payments	31,872.00	38,500.00
6	Commissions, expenses paid and aggregate write-ins for deductions	46,662.00	47,133.00
7	Federal and foreign income taxes paid (recovered)		
8	Total	78,534.00	85,633.00
9	Net cash from operations	7,599.00	307.00
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	7,599.00	307.00
15.1	Beginning of year (cash, cash equivalents and short-term investments)	425,502.00	425,195.00
15.2	End of year (cash, cash equivalents and short-term investments)	433,101.00	425,502.00

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**

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	6,460.00
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	6,460.00
3	Allowances to managers and agents	0.00
4	Advertising	45.00
5	Boards, bureaus and associations	922.00
6	Surveys and underwriting reports	0.00
7	Audit of assureds' records	0.00
8.1	Salary and related items: Salaries	13,067.00
8.2	Payroll taxes	1,185.00
9	Employee relations and welfare	0.00
10	Insurance	5,763.00
11	Directors' fees	3,630.00
12	Travel and travel items	1,167.00
13	Rent and rent items	3,900.00
14	Equipment	0.00
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	3,981.00
17	Postage, telephone, exchange and express	2,431.00
18	Legal and auditing	3,075.00
19	Loss adjustment expenses	0.00
18	Investment expenses	0.00
19	Totals	39,166.00
20.1	Taxes, licenses and fees: State and local insurance taxes	250.00
20.2	Insurance department licenses and fees	870.00
20.3	All other (excluding federal income and real estate)	0.00
20.4	Total taxes, licenses and fees	1,120.00
21	Real estate expenses	0.00
22	Real estate taxes	0.00
23	Aggregate write-ins for miscellaneous expenses	0.00
24	Total expenses incurred (a)	46,746.00
25	Less unpaid expenses - current year	597.00
26	Add unpaid expenses - prior year	449.00
27	Total expenses paid	46,598.00
Details of Write-Ins:		
2301		
2302		

ANNUAL STATEMENT FOR THE YEAR 2011
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

INSURANCE IN FORCE

		Amount (dollars)	Number
1	In force December 31 of previous year (to equal prior year's statement)	18,723,265	321
2	Written during the year	1,103,500	23
3	Total	19,826,765	344
4	Deduct those expired and cancelled	1,136,700	25
5	In force December 31 of current year	18,690,065	319
6	Deduct amount reinsured	0	XXX
7	Net amount in force	18,690,065	XXX

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**

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
Property	25,453.00				25,453.00
					-
					-
					-
					-
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 25,453.00	\$ -	\$ -	\$ -	\$ 25,453.00

* 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	4,950.00				4,950.00
					-
					-
					-
					-
					-
					-
					-
					-
					-
OVERFLOW AMOUNTS					-
Totals	\$ 4,950.00	\$ -	\$ -	\$ -	\$ 4,950.00

** 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 INSURANCE COMPANY OF HARRISON COUNTY**

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	NONE	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

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FURNITURE, FIXTURES and AUTOMOBILES

[illegible]

FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY

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

[illegible]

**** You can insert additional rows in yellow above if needed!**

which 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.

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
Grinnell Mutual Reinsurance Company	Ceded	4215 Hwy 146 P. O. Box 790 Grinnell, IA		24,626.00		897,660	
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 24,626.00	\$ -	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) Lisa Kendzioriski	Office Secretary	10,019.00						\$ 10,019.00
2) Wayne Slater	Board Secretary / Treasurer	3,060.00	1,980.00		605.00	82.50		\$ 5,727.50
3)								\$ -
4)								\$ -
5)								\$ -
Directors:								
John Parkinson	President		930.00	15.50	495.00	99.00		\$ 1,539.50
Allen Sparrow	Asst. Secretary / Treasurer		630.00		660.00	90.00		\$ 1,380.00
Ed Kleski	Director		1,410.00		605.00	275.00		\$ 2,290.00
John W Parkinson	Director				605.00	121.00		\$ 726.00
Marlene Hines	Vice President		1,260.00		660.00	102.00		\$ 2,022.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ 13,079.00	\$ 6,210.00	\$ 15.50	\$ 3,630.00	\$ 769.50	\$ -	\$ 23,704.00

GENERAL INTERROGATORIES

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

- Company's retention: Fire \$25,000 Wind \$25,000 Other \$25,000
- Retention before reinsurance applies for: Catastrophe Reinsurance \$0 Aggregate excess of loss \$0
- What is the largest risk assumed and retained: \$897,660
- What kind of perils are being covered? Dwellings, Farm Buildings, Chattels, Rural Buildings and Village Buildings
- Have the by-laws been amended during the current year? No If so, were such amendments filed with the Ohio Department of Insurance?
- In what counties does the Company operate: Harrison, Belmont, Carroll, Tuscarawas, Jefferson and Guernsey
- Name of Principal Officer and amount of bond: Wayne Slater - \$50,000
- 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.
Lisa Kendzioriski and all directors - \$50,000
- Does the Company have an annual audit conducted by an independent CPA? No
- State the number of members holding policies in the Company. 334
- Was an annual report of the Company made available to each policyholder? No If so, did such report agree with the annual statement filed with the Ohio Department of Insurance?
- State as of what date the latest examination of the Company was made by the Ohio Department of Insurance. 31-Dec-07
- How many assessments were made during the year? 12 Date of last assessment December
- Did the assessment provide for all losses, expenses and all other liabilities prior to the date of assessment? Yes
- Rate of policy fee 0
- State the amount of borrowed money since date of last assessment N/A Interest thereon
- 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? No Yes

2011

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

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

[illegible]

ANNUAL STATEMENT FOR THE YEAR 2011
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY.

ORGANIZATIONAL CHART

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

None

**ANNUAL STATEMENT FOR THE YEAR
FARMERS MUTUAL INSURANCE COMPANY OF HARRISON COUNTY**

2011

Overflow Page for Write-ins

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	NONE				
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	NONE		
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
	NONE		
	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	NONE			
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

2	3	4	5	6	7	8	9	10	Dividends		13	14
Description	From Whom Acquired	Date Acquired	No. of Shares	Par Value Per Share (Preferred Stocks)	Book Value	Rate Per Share Used To Obtain Market Value	Market Value/ Fair Value December 31 of Current Year	Actual Cost	Received During Year	Dividends Amount Due and Accrued Dec. 31	Increase, by Adjustment, in Book Value During Year	Decrease, by Adjustment in Book Value During Year
State description of all stocks funds owned.												
rows in yellow above if needed	xxx	xxx	xxx	xxx	\$.	xxx	\$ -	\$	\$	\$ -	\$ -	\$

2011

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

[illegible]