



ANNUAL STATEMENT

For the Year Ended

December 31, 2012

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

Linda C. Vince

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

RICHMOND FARMERS' MUTUAL INSURANCE CO.

Linda Vince

Secretary of 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.

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

2012

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	
2	Preferred stocks, common stocks and mutual funds (Schedule D - Part 2)	54,787.73	0.00	53,359.57
3	Real estate (less liens, encumbrances) (Schedule A)	0.00	0.00	
4	Cash (Schedule E)	81,391.84	0.00	71,583.00
5	Short-term investments	100,268.32	0.00	100,015.34
6	Aggregate write-ins for invested assets		0.00	
7	Subtotals, cash and invested assets	236,447.89	0.00	224,957.91
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	Deferred premiums, agents' balances and installments booked but deferred and not yet due		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	236,447.89	0.00	224,957.91
	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
1599	Total aggregate write-ins	0.00	0.00	0.00

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

2012

LIABILITIES, SURPLUS AND OTHER FUNDS

		Current Year	Prior Year
1	Unpaid Losses (Underwriting Exhibit - Part 2A)	0.00	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)		0.00
5	Taxes, licenses and fees (excluding federal income taxes)		0.00
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	8,409.10	8,406.73
10	Advance premium		
11	Ceded reinsurance premiums payable	2,016.47	1,979.78
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	10,425.57	10,386.51
18	Surplus as regards policyholders	226,022.32	214,571.40
19	Total liabilities and surplus	236,447.89	224,957.91
	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**

2012

		Current Year	Prior Year
	UNDERWRITING INCOME		
1.1	Gross Assessments/Premiums earned	83,318.37	83,995.72
1.2	Less: Return Assessments/Premiums earned	0.00	765.93
1.3	Direct Assessments/Premiums earned	83,318.37	83,229.79
1.4	Deduct premiums for reinsurance ceded (Reinsurance Schedule)	25,280.37	24,024.95
1.5	Add premiums received for reinsurance assumed (Reinsurance Schedule)	0.00	
1.6	Net Assessments/Premiums earned	58,038.00	59,204.84
	DEDUCTIONS		
2	Losses incurred (Underwriting Exhibit - Part 2)	4,343.98	6,364.71
3	Loss expenses incurred (Expense Exhibit)	0.00	
4	Other underwriting expenses incurred (Expense Exhibit)	43,930.34	33,578.23
5	Aggregate write-ins for underwriting deductions	0.00	0.00
6	Total underwriting deductions	48,274.32	39,942.94
7	Net underwriting gain (loss)	9,763.68	19,261.90
	INVESTMENT INCOME		
8	Net investment income earned	259.08	631.54
9	Net realized capital gains (losses) less capital gains tax		
10	Net investment gain (loss)	259.08	631.54
	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	10,022.76	19,893.44
16	Federal income taxes incurred		
17	Net income	10,022.76	19,893.44
	SURPLUS ACCOUNT		
18	Surplus as regards policyholders, December 31 prior year	214,571.40	193,148.00
19	Net income	10,022.76	19,893.44
20	Change in net unrealized capital gains or (losses) less capital gains tax	1,428.16	1,529.96
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	11,450.92	21,423.40
26	Surplus as regards policyholders, December 31 current year	226,022.32	214,571.40
	DETAILS OF WRITE-INS		
0501			
0502			
0503			
0599	Total Aggregate write-ins for underwriting deductions	0.00	0.00
1301			
1302			
1303			
1304			

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

2012

	Current Year	Prior Year
Cash from Operations		
1	58,077.06	56,730.41
2	259.08	631.54
3		
4	58,336.14	57,361.95
5	4,343.98	19,861.31
6	43,930.34	34,606.94
7		
8	48,274.32	54,468.25
9	10,061.82	2,893.70
Cash from Investments		
10		
10.1		
10.2		
10.3		
10.4		
10.5	0.00	-25,000.00
10.6	0.00	-25,000.00
11		
11.1		
11.2		
11.3		
11.4		
11.5	0.00	0.00
11.6	0.00	-25,000.00
Cash from Financing and Miscellaneous Sources		
12.1		
12.2		
13	0.00	0.00
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
14	10,061.82	-22,106.30
15.1	171,598.34	193,704.64
15.2	181,660.16	171,598.34

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

2012

EXPENSE EXHIBIT

	Claim Adjusting:	Current Year
1.1	Direct	
1.2	Reinsurance assumed	
1.3	Reinsurance ceded excluding contingent (commission and brokerage)	
1.4	Net claim adjusting	0.00
	Commission and Brokerage:	
2.1	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)	3,195.00
2.8	Net commission and brokerage	3,195.00
3	Allowances to managers and agents	
4	Advertising	2,449.95
5	Boards, bureaus and associations	
6	Surveys and underwriting reports	
7	Audit of assureds' records	
	Salary and related items:	
8.1	Salaries	16,550.24
8.2	Payroll taxes	6,060.82
9	Employee relations and welfare	
10	Insurance	9,530.80
11	Directors' fees	1,150.00
12	Travel and travel items	322.32
13	Rent and rent items	480.00
14	Equipment	
15	Cost or depreciation of EDP equipment and software	0.00
16	Printing and stationery	797.83
17	Postage, telephone, exchange and express	383.60
18	Legal and auditing	0.00
19	Loss adjustment expenses	
18	Investment expenses	
19	Totals	37,725.56
	Taxes, licenses and fees:	
20.1	State and local insurance taxes	
20.2	Insurance department licenses and fees	750.00
20.3	All other (excluding federal income and real estate)	1,199.00
20.4	Total taxes, licenses and fees	1,949.00
21	Real estate expenses	
22	Real estate taxes	
23	Aggregate write-ins for miscellaneous expenses	1,060.78
24	Total expenses incurred (a)	43,930.34
25	Less unpaid expenses - current year	0.00
26	Add unpaid expenses - prior year	0.00
27	Total expenses paid	43,930.34
	Details of Write-Ins:	
2001	Miscellaneous	665.80

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2012

INSURANCE IN FORCE

	Amount (dollars)	Number
1	13,007,925	155
2	988,050	9
3	13,995,975	164
4	2,334,800	20
5	11,661,175	144
6	0	XXX
7	11,661,175	XXX

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

2012

**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		-			-
Lightning Loss		1,270.48			1,270.48
Wind Loss		3,073.50			3,073.50
Vandalism/Malicious Mischeif Loss					-
					-
					-
					-
OVERFLOW AMOUNTS					
Totals	\$ -	\$ 4,343.98	\$ -	\$ -	\$ 4,343.98

* 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.**

2012

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

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
Grimmell Mutual		Iowa		25,280.37			
OVERFLOW AMOUNTS							
Totals	XXX	XXX	\$ -	\$ 25,280.37	\$ -	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, 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:								
Raymond Piergallini	President	2,100.00						\$ 2,100.00
W. Richard Baker	Vice-President	1,700.00						\$ 1,700.00
Philip J. Flemmiken	Treasurer	5,500.00						\$ 5,500.00
Valerie Stine	Secretary	1,200.00						\$ 1,200.00
Linda Vince	Secretary	8,200.00						\$ 8,200.00
Ronald Wiley	Adjuster	640.00						\$ 640.00
Directors:								
James Newburn, Sr.	Director	650.00						\$ 650.00
David Robinson	Director	650.00						\$ 650.00
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
								\$ -
Totals	XXXX	\$ 20,640.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,640.00

GENERAL INTERROGATORIES

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

- Company's retention:

Fire	\$25,000	Wind		Other	
Catastrophe Reinsurance		Aggregate excess of loss	\$25,000		
- What is the largest risk assumed and retained:

Fire, Wind, Lightning	\$384,000
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- What kind of perils are being covered?

Fire, Wind, Lightning	
-----------------------	--
- Have the by-laws been amended during the current year?

Ohio Department of Insurance?	No	If so, were such amendments filed with the
In what counties does the Company operate:	Belmont, Carroll, Columbiana, Harrison, Jefferson, Monroe	
- Name of Principal Officer and amount of bond.

Raymond Piergallini, President	Yes	X	No
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- Are all of the persons who handle funds of the Company bonded?

Philip J. Flemmiken, Treasurer, \$1,000,000	Yes	No
---	-----	----
- State the name and amount of each bond on each, except person named in Item 6 above.

Philip J. Flemmiken, Treasurer, \$1,000,000	144
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- Does the Company have an annual audit conducted by an independent CPA?

Yes	No
-----	----
- State the number of members holding policies in the Company.

144

- Was an annual report of the Company made available to each policyholder?

Yes	No
-----	----
- with the annual statement filed with the Ohio Department of Insurance?

Yes	No
-----	----
- State as of what date the latest examination of the Company was made by the Ohio Department of Insurance.

Aug-11

- How many assessments were made during the year?

3

- Date of last assessment

Oct-12

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

Yes

- Rate of policy fee

5.85-12.53

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

2012

ORGANIZATIONAL CHART

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



